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NEWS SUMMARY

GENERAL

Soviet sub leaves as protests mount

The Soviet submarine suspected of carrying nuclear weapons was escorted out of Swedish waters yesterday, leaving behind a growing diplomatic storm.

As the submarine was handed over to a flotilla of Soviet naval ships, Norway and Denmark said they would join Sweden in an ambassadors' boycott of today's military rally in Moscow in protest at the incident. **A trace of uranium, Page 2**

Rates Bill anger

Council leaders condemned the Government's controversial rates Bill as it was given a formal first reading in the Commons. **Back Page**

Rail threat

Railwaymen's leader Sid Weighell said his union might go ahead with a plan to cut overtime, bringing trains to a halt in many areas. **Page 3**

Missing cash

Government said a Sheffield liquidator who was given £17,500 in State cash to pay compensation to workers who lost their jobs has left the country.

MP stands down

Labour legal affairs spokesman, *Jeffrey Thomas, MP for Abertillery*, said he would not stand as a Labour candidate at the next election. **Page 3**

Attack on GLC

Some leading companies are *launching a £200,000 campaign* to fight the policies of Ken Livingstone's ruling GLC Labour group. **Page 3**

Healey vote plea

Labour deputy leader Denis *Healey called on the national* executive to introduce one-member one-vote rule throughout the party. **Page 3**

Polish jail riot

Two people were killed when *police used tear gas and water* cannon to suppress a riot by 1,000 prisoners at a jail in northern Poland.

Church protests

East Germany's Protestant *Church has strongly criticised* the Communist leadership for the increased militarisation of the country. **Page 2**

Haddad retires

Major Saad Haddad, commander *of the Israeli-backed right-wing* militia in south Lebanon, said he was retiring because he was tired.

Simon Dee fined

Simon Dee, former disc jockey and TV chat show host, was found guilty of assaulting a policeman outside Buckingham Palace and fined £100.

Korchnoi wins

Viktor Korchnoi won the 13th game of the World chess championship when titleholder Anatoly Karpov resigned. Karpov still leads by four games to two.

Briefly . . .

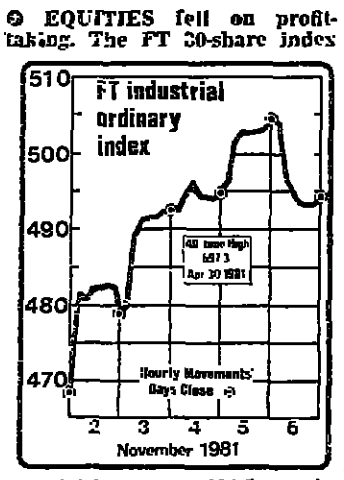
Queen opened the Tyne and *Wear Metro system.*

Strong quake shook the north coast of Papua, New Guinea.

BUSINESS

Equities off 9.8; Sterling rises

● **EQUITIES** fell on profit-taking. The FT 30-share index



closed 9.3 down at 494.5, a gain of 26 points on the week. Page 24

● **GILTS** remained concerned that U.S. interest rates may rise again. The FT Government Securities index *closed down* 0.07 at 62.09. Page 24

● **DOLLAR** eased to DM 2.2200 (DM 2.2250) and SwFr 1.7870 (SwFr 1.7850) but was firmer at Y228.75 (Y228.50). Its trade-weighted index rose to 107.5 (107.0). Page 23

● **STERLING** rose to $1.8775, up 55 points, DM 4.17 (DM 4.1650) and FFr 10.5250 (FFr 10.53) but fell to SwFr 3.3350 (SwFr 3.36). Its index was 89.2 (89.0). Page 23

● **GOLD** Comex November close in New York was $427.7. Page 23

● **WALL STREET** was down 4.75 at 854.36 near the close. Page 20

● ***PRIME RATES*** were cut from 17½ to 17 per cent by First National Bank of Chicago, Continental Illinois and UMB.

● **HONG KONG**'s best lending rate was lowered from 20 to 19 per cent. **Page 2**

● **ZAMBIA** proposed cutting expatriate remittances to one third of net rather than gross earnings. **Page 2**

● **LLOYD'S of LONDON** will accept gold as an asset for prospective members. **Page 3**

● **SIR GEOFFREY HOWE** rejected the "modest reflation" suggested by Conservative Party dissidents. **Page 3**

● **CABLE AND WIRELESS** shares opened at 203p, 35p *over the offer price*, and reached 205p before falling back to close at 197p. **Back Page**

● BTR's takeover bid for Serck, the Birmingham-based diversified engineering company, was *referred to the Monopolies Commission.* **Back Page**

● **PAMELA MASON** challenged her removal from the board of Illingworth Morris, the Yorkshire wool textile company. **Back Page**

● ***WILLIAM HOLLINS*** and *Co.* part of the Carrington Viyella group, will close its Londonderry shirt-making factory with *the loss of 323 jobs.* **Page 3**

● **SIME DARBY**, the Malaysian conglomerate, will reorganise its loss-making Western division covering the UK, Europe and North America. **Page 24**

● **MOSS ENGINEERING** Group *pre-tax profits fell to £601,000* (£706,000) in the year to August 31. **Page 18**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Amalg Metal	613	+ 50
Cater Ryder	310	+ 10
City Offices	102	+ 11
Eng China Clays	134	+ 5
Woolworth	50	+ 2½
Yarrow	260	+ 15
Candecca	228	+ 16
Cent Pacific Mnrls	63	+ 6
Pancontinental	160	+ 14
Sthn Pacific Petrol	31	+ 5
FALLS		
Exchqr 12pcCv '85	£90⅞	− 1
Asscd Cmms A	54	− 3
BTR	328	− 16
Berisford (S. W.)	105	− 7
Black & Edgington	44	− 6
Boot (H.)	164	− 11
Finlan (J.)	148	− 17
GEC	715	− 10
Glaxo	422	− 10
GKN	150	− 7
ICI	276	− 6
Lucas Inds	172	− 9
MEPC	215	− 7
MK Electric	200	− 6
Martin (R. P.)	335	− 10
Mercantile House	460	− 15
Plessey	320	− 10
Racal Electronics	395	− 13
Serck	45	− 12
Sun Alliance	925	− 29
Thorn EMI	420	− 10
NCC Energy	78	− 12
RTZ	475	− 8

Anglo-Irish ties agreed

BY MARGARET VAN HATTEM

THE BRITISH and Irish Governments yesterday put a formal seal on their increasingly close ties by agreeing to set up an Anglo-Irish intergovernmental council, and by opening the way for joint economic and political initiatives.

Mrs Thatcher and Dr Garret FitzGerald, the Irish Premier, agreed not to include MPs in the council at this stage, but to refer the question of an Anglo-Irish body to their parliaments.

A *joint communique following* a day of intensive talks at No. 10 Downing Street also referred explicitly to the possibility of *creating an elected Northern* Ireland Assembly, which could contribute members to a joint parliamentary body.

No other firm decisions were reached but the communique points to several possible future agreements including:

● The sale of gas from the Irish Kinsale field to Northern Ireland. Only the price remains *to be negotiated:*

● Restoration of the electricity connection between North and South, possibly underground, to reduce the risk of destruction by terrorists:

● A feasibility study into the establishment of an electricity link between Wexford in southern Ireland and Wales;

● Establishment of an intergovernmental advisory committee on economic and other matters as an adjunct to the council:

● establishment of an "Anglo-Irish encounter" organisation with government and non-government representatives on the Konigswinter model of Anglo-German co-operation:

● the British and Irish Attorneys General will consider jointly the possibility of closer *legal co-operation but proposals* for an all Ireland court have been shelved:

● Ireland to legislate soon to *grant British subjects resident* in the Republic full voting rights in Irish elections.

Both sides also agreed in an *attempt to allay suspicions in* both North and Southern Ireland, to publish next Wednesday the full reports of four of the five joint study groups set up a year ago, excluding only a report on security co-operation.

Mrs Thatcher is due to make a full statement to the Commons on Tuesday on her talks with Dr Fitzgerald.

Mrs Thatcher stressed that the agreement represents no change in British Government policy on the constitutional status of Northern Ireland. But the agreement, coming only hours after a strident warning from the Reverend Ian Paisley that Ulster's Protestants would show "relentless and unqualified opposition by all necessary means" to any Anglo-Irish council or any closer co-operation, is seen as evidence of a major shift in the Government's attitude to the more hard-line Protestants.

Two passages in the communique are seen as particularly significant. First, the British Government agrees not only to abide by, but also to *support actively by legislation,* the results of a referendum in Northern Ireland on its constitutional status.

Second, the communique calls for efforts to reconcile the division not only between the two sections of the Northern Ireland community but also "the two major traditions that exist in the two parts of Ireland."

This is seen as an unprecedented nod of approval by the British Government towards the notion of ultimate reunification of North and South.

Both Prime Ministers committed their Governments "to join in promoting arrangements which might help to reduce tensions between and to reconcile the people of the two parts of Ireland."

The two Prime Ministers will hol dtheir next summit in Dublin next spring.

Our Belfast Correspondent writes: Unionists in Northern Ireland responded with immediate and predictable hostility to the establishment of a joint *governmental body.*

U.S. criticises UK support for Fahd peace plan

BY DAVID BUCHAN IN WASHINGTON AND STEPHANIE GRAY IN LONDON

THE U.S. has joined Israel in complaining that British support for Saudi Arabia's Middle East peace plan threatens to torpedo EEC participation in the Sinai peace-keeping force.

At the same time, the Foreign Office in London said *yesterday that* talks due to have started in Cairo last Wednesday between Sir Michael Weir, the British Ambassador to Egypt, *and Mr Kamal Hassan Ali*, the Egyptian Foreign Minister, on Britain's suggested role in the multinational force to monitor *Sinai after Israel's withdrawal* next April, had been abandoned.

Mr Menahem Begin, Israel's *Prime Minister, said on Thursday* that he might block European participation in the force because of the erosion in EEC backing for the Camp David agreements.

The New York Times then reported that Mr Alexander Haig, the U.S. Secretary of State, had called in Sir Nicholas Henderson, the British Ambassador to the U.S., to protest about remarks on the Saudi plan made by Lord Carrington, the Foreign Secretary.

Lord Carrington returned to London from Saudi Arabia yesterday where, as President of the EEC Council of Ministers, *he had been seeking further* details of Crown Prince Fahd's Middle East initiative.

During his visit Lord *Carrington described the Saudi* plan as "positive, and a sound foundation for further steps." He did not, however, endorse *its proposals.*

British diplomats in Washington disputed the New York Times version of the meeting betweeen Mr Haig and Sir Nicholas, pointing out that it took place on Wednesday, before Lord Carrington made his comments on the Saudi plan.

The Foreign Office also refused to confirm that friction had developed between Washington and London. It was stressed that the U.S. had not made any representations to Britain *about* the Fahd plan, but "it was to be expected that we would be in touch with Washington over the Sinai force as it was the Americans who invited us to take part."

According to the New York *Times, Mr Haig met U.S. Jewish* representatives on Wednesday and, according to a transcript of that meeting, the Secretary *of State said he had told Lord* Carrington to "cool it."

Mr Haig is alleged to have said that he told Lord Carrington through the British ambassador: "It is one thing for a fellow to sit on the sidelines and indulge in theology and to establish goals that represent the perfect contrast to the good and achievable and pragmatically desirable.

"It is another thing to have the responsibility to do it. It's a very luxurious position for our European friends to be in. They can make their own observations without responsibi lity for the consequences. There are *indirect consequences. They* are very severe in Israel today," Mr Haig was quoted as telling the U.S. Jewish leaders.

"And I would *suspect* that if Mr (sic) Carrington has to carry the burden of President Reagan of being held responsible in practical terms by international world opinion of the outcome of this very difficult situation, that he might be more circumspect with his adjectival pronouncements," Mr Haig concluded, according to the transcript evidently made available by one of the U.S. Jewish leaders.

Discussions in Cairo involving *The Netherlands, Italy* and France on their participation in the Sinai force have also been called off for the time being. But the Foreign Office said yesterday this was not a result of Mr Begin's threat to veto their involvement.

£ in New York

—	Nov. 5	Previous
Spot	$1.8730-8750	$1.8710-8730
1 month	0.22-0.15 dis	0.24-0.17dis
3 months	0.53-0.23dis	0.50-0.20dis
12 months	0.10dis-0.10pm	0.10dis-0.10pm

Honda recalls cars over potential rust problem

BY KENNETH GOODING IN LONDON AND IAN HARGREAVES IN NEW YORK

HONDA, the Japanese group, will recall all cars it sold in the U.S. and UK between 1973-1979 because of a potential rust problem.

In the U.S. Honda said the recall of 930,000 cars Civics Accords and Preludes would cost it about $20m (£11m).

The UK subsidiary indicated that about 70000 cars would be recalled early next year. "We don't expect it to be a sizeable problem," it said.

The problem manifested itself in the cars suspension. This has failed in a few vehicles in the U.S., causing accidents though not injuries.

It is believed the suspension *parts are common to all Honda* cars subject to the recall, so that the company might well decide to take similar action *in other major markets.*

In the U.S. Honda plans to bring back all its cars for an underbody inspection. It expects *about 2 per cent of the cars* will need significant repairs. All of these are expected to be from the "frost-belt" states *where heavy road-salting* is thought to have contributed to the problem.

In Britain, Honda has been monitoring the situation for some time and claims the number of cars found to be affected is small.

Dealers have been asked to inspect cars during routine servicing but now the company has decided, "in line with the U.S. decision," to recall models which might be involved.

Since 1979 Honda has used a different formula for the epoxy-based paint it sprays under cars to prevent rust. The company said it believed this would be effective in preventing the problem arising on models built since that change.

The Triumph Acclaim, the Honda car produced under licence by BL and launched last month, is assembled from steel *supplied by the British Steel* Corporation. It goes through a new anti-corrosion and paint plant at BL's Cowley, Oxford, *facility.*

Honda, whose products have frequently been held up as a model of manufacturing excel*lence, has run into difficulties* previously in the U.S.

In July it agreed, under pressure from the Federal Trade *Commission, to replace rusted* bumpers on 700,00 Civics and Accords sold between 1975 and 1978.

That cost the group $10m. It was accompanied by accusations from FTC officials that the Japanese company failed to act on the rust problem in spite of knowing about it for years.

Stories about the rust problem have not, however, hurt Honda's sales. In the first nine months of 1981 its car *sales were up from 278,571 in* the corresponding period last year to 298,379. Honda was one of the few importers to improve *market share in that period.*

Honda is not the first foreign car company to find itself with quality problems in the tightly-regulated U.S. market.

Nissan has had recalls. Volkswagen recently agreed to a recall involving about 1,000 cars which had oil-filter leaks. The company was also accused of providing faulty information to owners.

Cortina "hit by inefficiencies" Page 3

BL Cars in move to cut tea breaks

By Arthur Smith, Midlands Correspondent

BL CARS plans to cut tea breaks, according to Mr Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, who warned yesterday this could cause more unrest in plants next week.

Talks with the company about introduction of a 39-hour working week broke down late on Thursday night.

The dispute came at the first meeting of BL Cars' national negotiating committee after the collapse at the beginning of the strike by 58,000 manual workers.

At Thursday night's meeting the BL unions formally signed the deal giving BL workers a 3.8 per cent pay rise, but were unable to reach agreement with the *company on funding* the introduction of the shorter

Continued on Back Page

BNOC tells operators to raise North Sea oil prices by $1.50

BY RAY DAFTER, ENERGY EDITOR

BRITISH National Oil Corporation told offshore operators yesterday that North Sea oil prices should be increased by an average of $1.50 a barrel.

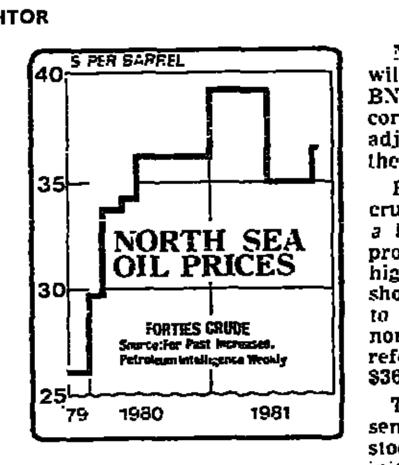
The proposal—almost certain to be accepted by the rest of the industry—will push the UK reference price to $36.50 a barrel backdated to November 1.

BNOC's decision, after a week of market evaluations and presentations from other companies, will signal the start of a new round of price rises in the oil products market. Refiners are expected to follow Texaco's lead in raising petrol prices by up to 4p a gallon to about 170p at the pump.

The three biggest oil companies, BP Oil, Shell and Esso, are likely to announce their price increases early next week in order to recoup the BNOC and Opec increases in the price of crude oil.

The backdating of the BNOC rise has made the companies keen to increase their prices as soon as possible.

The weak state of the market means the three biggest com*panies are being cautious about* increasing petrol prices. BP Oil was reported yesterday to be particularly unhappy about the size of the increase.



The rise in UK crude oil prices—which will probably be matched by Norwegian producers — will benefit the exchequer by more than £350m a year in extra tax revenues and current sterling/dollar exchange rates.

Not all of the North Sea prices will rise by $1.50 under the BNOC proposals because the corporation is attempting to adjust differentials which reflect the varying quality of output.

BNOC wants Ninian Field crude oil to increase by $1.40 *a barrel, to $36.10. It is also* proposing that the price of higher-quality Brent crude should rise by $1.60 a barrel to *$36.60. Forties Field oil,* normally used as the North Sea reference crude, is due to cost $36.50.

The BNOC proposals represent a compromise. It is understood that corporation traders initially hope to raise prices by $2 *a barrel* — the increase accepted by Saudi Arabia at last week's meeting of the Organisation of Petroleum Ex*porting Countries.*

In the past few days it became clear to the corporation that an increase of no more than $1.50 to $1.75 could be sustained if North Sea oil were to remain competitive with output

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هكذا من الاصل

OVERSEAS NEWS

Steep rise in U.S. jobless

By David Buchan in Washington

UNEMPLOYMENT in the U.S. surged to 8 per cent last month, the highest level since the 1974-1975 recession, and worse than the peak reached during the 1980 slump, the Government reported yesterday.

The sharp rise from 7.5 per cent in September throws into serious question the Administration's claim that the current recession will stay "shallow," and complicates President Ronald Reagan's plan to redress the federal budget deficit.

In a bid to head off immediate speculation of a major U-turn in policy, the White House issued a prompt statement. "The administration will not adopt quick fix measures to deal with short-run movements in the unemployment rate," it said.

But Mr Reagan told reporters, just before the start yesterday of a key economic strategy meeting with Republican leaders, that his pledge to balance the budget was only an "eventual goal, whether it comes in 1984 or whether it has to be delayed." Mr Reagan had made an election promise to get Government finances out of the red by the 1984 end of his term in office.

New official estimates that recession would push the current 1981-82 deficit to $98bn and possibly $145bn by 1983-84, have been denied by the Administrtion. The President has been told from virtually all quarters that he must now face the prospect of a 1981-82 deficit nearly double his original $43bn target.

Congress has virtually halted all further work on the 1981-82 budget until it gets a signal from President Reagan on how he wants to save his economic programme from imminent collapse.

The little budget legislation that has been passed in the past two weeks has shown deep reluctance, even by Republicans, to go along with extra spending cuts.

Mr Reagan appears to have reached an impasse in striving for his three goals of higher defence spending, tax reductions, and a balanced budget. The advice from the Treasury and the President's panel of outside economic advisers is that the last goal should be dropped.

William Dullforce in Stockholm on the political aftermath of grounding of submarine 137

A trace of uranium blurs the Brezhnev halo

SWEDEN'S DISCLOSURE on Thursday that the 30-year-old Soviet submarine which ran aground in Swedish territorial waters was carrying nuclear weapons added a much wider dimension to an already serious diplomatic incident.

It signifies a major setback for Soviet policy towards the Scandinavian countries. It has implications for the talks on nuclear disarmament in Western Europe. It must have tarnished the "peace apostle" image with which Soviet President Leonid Brezhnev hoped to arrive in Bonn on November 23.

The evidence that a submarine of the old "Whisky" class (in Nato nomenaclature) is fitted with tactical nuclear weapons also suggests that the Baltic Sea is of even greater importance for Soviet military strategy than had been realised in the West.

The submarine incident has not only imposed a frost on relations between the Soviet Union and neutral Sweden — as Sweden's Foreign Minister, Mr Ola Ullsten pointed out, it has also undermined the credibility of the Soviet Union's declared interest in promoting and participating in a Nordic Nuclear Weapon Free Zone (NNWFZ).

The NNWFZ idea was first mooted by the former Soviet leader, Nikita Khrushchev, in the 1960s, but it has become best known as the brainchild of the retiring Finnish President, Urho Kekkonen. The idea was revived last year by leftwing groups in Norway and Denmark opposed to the Nato plans to introduce new tactical nuclear weapons in Western Europe.

Substantial lobbies in support of the establishment of a NNWFZ developed within the ruling Labour parties in Norway and Denmark, both of which are members of Nato. (The Norwegian Labour Government has since been replaced, after defeat in the September general election, by a minority Conservative cabinet.)

Soviet propaganda has for months concentrated on promoting the movement for formation of a NNWFZ. Earlier this week the Danish Government revealed that it had expelled a Soviet diplomat who had passed money to a Danish writer collecting signatures for a petition calling for a NNWFZ.

In June President Brezhnev sought to stoke opinion in favour of a NNWFZ within the Nordic countries by stating in an interview with a Finnish newspaper that not only would the Soviet Union guarantee not to use nuclear weapons against the members of such a zone, it would also discuss "measures concerning our own territory in the area bordering on the zone."

This was taken to mean that Moscow would consider reducing its own nuclear arsenal in areas adjoining the NNWFZ, but diplomatic attempts by the Swedes and the Danes to obtain a more precise indication failed.

The Nordic Foreign Ministers in any case agreed to undertake a joint study of the possibilities of establishing a NNWFZ, although both the Norwegian and Danish Governments insisted that it could be realised only within the context of a wider agreement on nuclear disarmament within Western Europe.

When he announced on Thursday that the grounded Soviet submarine carried nuclear weapons, the grim-faced Swedish Premier, Mr Thorbjörn Fälldin referred bitterly to Soviet support for a NNWFZ and Moscow's references to the Baltic as "a sea of peace."

The grounding of submarine 137 within a few kilometres of Sweden's major naval base at Karlskrona has, for the Scandinavian public, starkly revealed the discrepancy between Soviet propaganda and action.

The incident has probably not killed support for the idea of a NNWFZ. It may even have engendered greater interest. Mr Olof Palme, the leader of the Swedish Social Democrat opposition, for instance, said the disclosure of the spread of nuclear weaponry in the Baltic underlined the urgency of realising a NNWFZ.

What the incident almost certainly has achieved, however, is to correct the one-sidedness in much of the argument for a NNWFZ which has concentrated on the U.S. and Nato decision to introduce Cruise and Pershing missiles to Western Europe as a counter to the deployment of Soviet SS 20 missiles.

Mr Palme voiced on Thursday Swedish disillusion with both super powers and emphasised the urgency of persuading both to reduce their stocks of nuclear arms.

Special interest is now attached to President Brezhnev's pending visit to Bonn. The submarine 137 incident, Swedish diplomats suggest, will hamper his efforts to persuade the Germans to abandon the installation of the new Nato tactical nuclear weapons on their soil.

The Swedes had previously known of the presence in the Baltic of six Golf-type Soviet submarines, an older construction submarine than the 137, carrying ballistic missiles.

The torpedoes or mines with nuclear warheads, which the Swedes are convinced were on board submarine 137, are inaccurate weapons likely to be used against large targets such as aircraft carriers or to block harbours. Nato has no aircraft carriers in the Baltic.

The submarine comman[...] watches Swedish milit[...] activities while agroun[...]

The implication, accordin[...] Gen Lennart Ljung, supr[...] commander of the Swe[...] defence forces, is that the [...]marines would need to [...] the Baltic and seek target[...] the Atlantic or North Sea. [...] in turn adds to the strat[...] importance for the Soviet [...] of being able to force [...] narrow entries to the B[...] between Sweden and Den[...] and through the Danish isl[...]

Foreign Minister Ullsten already emphasised that [...] submarine incident implie[...] change in Sweden's long-s[...]ing neutrality. Its polic[...] keeping out of military alli[...] in the hope of avoiding [...]tanglement in an eve[...] military conflict is firmly [...]bedded in all political parti[...]

This policy has been [...]plemented by mainta[...] strong defence forces [...] deterrent.

Submarine returned to Soviets

By Our Stockholm Correspondent

Sweden returned to the Soviet Navy yesterday morning the submarine which ran aground 10 days ago in a military prohibited area off the Swedish Naval base of Karlskrona.

Prime Minister Thörbjorn Fälldin said that the submarine "in all probability" carried tactical nuclear weapons.

Submarine 137 was escorted from Swedish territorial waters by naval vessels and helicopters and formally *handed over to the command* of Vice Admiral Alexy Kalinin on board a Soviet destroyer.

The submarine, which had sustained only minor damage to its outer hull from grounding on a sandbank, slipped its *tug and completed* the last part of the passage through Swedish territorial waters under its own power.

Some 4,000 Swedes who attended a protest meeting organised by the opposition Social Democrat Party outside the Riksdag (Parliament) yesterday, heard Mr Olof Palme, party leader, demand the removal of all nuclear weapons from the Baltic. The demand was reiterated by Mr Lars Werner, the Communist Party leader.

The Foreign Ministry announced that the Swedish ambassador in Moscow would not attend today's Red Army parade

Soviet submarine moves out slowly towards open seas after its release

EEC warning to U.S. on steel row

BY GILES MERRITT IN BRUSSELS

THE EEC COMMISSION has warned the U.S. Government that it has chosen a "dangerous path" by intervening in the growing dumping row between U.S. and European steelmakers.

The strongly worded statement was issued in Brussels yesterday in response to an announcement in Washington that the U.S. Department of Commerce is to file an anti-dumping suit on behalf of American steelmakers against a handful of EEC producers.

The statement by EEC Industry Commissioner Viscount Etienne Davignon makes it plain that Brussels plans to launch a legal counter-offensive, which it will put to the EEC Council of Ministers at a meeting here on November 10.

The European Commission has clearly been angered by the U.S. Department of Commerce move because it comes at a time when negotiations on the steel shipments issue are still being conducted between Brussels and Washington.

Talks aimed at averting U.S. protectionist measures against EEC steel products were opened in March of this year, and have also concerned a re-examination of the U.S. trigger price mechanism used to adjust the price of imported steel.

Commission officials yesterday revealed the names of the four EEC steel companies that are to be the target of the anti-dumping actions. They are France's Usinor and Sacilor groups and Belgium's Hainaut-Sambre and Forges de Clabecq. But they were also emphasising that at 475,000 tons, the total EEC steel exports concerned in the anti-dumping action were comparatively small.

M Davignon's formal statement also stressed that although EEC steel exports to the U.S. have risen in recent months, during the first nine months of this year they still took less than 5 per cent of the U.S. market. On no account, he added, could EEC steel shipments be blamed for the difficulties facing U.S. steelmakers.

Japan close to quitting Iran project

By Richard C. Hanson in Tokyo

JAPAN has moved a step closer to a complete withdrawal from the Bandar Khomeini petrochemical project in Iran after unsuccessful talks in Tokyo between Japanese and Iranian partners this week.

The Japanese position emerged yesterday as a result of an ultimatum delivered by Mitsui and Company and four partners comprising the Iran Chemical Development Corporation (ICDC) to its Iranian counterpart, the National Petrochemical Company of Iran (NPC).

The ultimatum called on the NPC to agree to new terms for the project by mid-December. These would require the Iranian company to shoulder all further expenses for continuing the war-damaged project.

In effect, this would pave the way for what will likely be a complete withdrawal by the Mitsui consortium from its decade-old equity partnership in the multibillion-dollar Iran-Japan Petrochemical Corporation project in southern Iran.

The Japanese Government, which also holds a stake in the Japanese partnership company, appears to agree that a pull-out is simply a matter of time.

Following the conclusion of the talks yesterday, Mr Mostafa Taheri, the head of the NPC, said a unilateral decision by Mitsui to withdraw would hurt relations between the two countries.

Mr Taheri *also appealed to* the Japanese Government to press Mitsui to complete the project. But a Japanese official said the Government could not dictate to a private corporation.

Terry Povey writes: Japanese exports to Iran fell *by 50* per cent in the first six months of 1981 compared with the same period in 1980, according to figures *recently published* by the Organisation for Economic Co-operation and Development.

Genscher's warning to Turks on rising European hostility

BY METIN MUNIR IN ANKARA

HERR HANS-DIETRICH GENSCHER, the West German Foreign Minister, left Turkey yesterday after alerting the military leadership to the rising tide of hostility against it in Europe.

A chilly atmosphere prevailed throughout the 23 hour long visit, which emphasised the strains between Turkey and West Germany, its staunchest European ally and aid provider.

The Germans have been dismayed by the regime's decision to dissolve all political parties and to sentence Mr Bulent Ecevit, the former Social Democratic Prime Minister, to four months in jail.

They have also been disturbed by more recent indications that General Kenan Evren, the Head of State and Chief of Staff, may pr[...] his rule for another four [...] more than two years l[...] than was expected.

Gen Evren heard a first [...] account of these worries [...] Herr Genscher yesterday [...]ing. They were schedul[...] meet for 30 minutes but [...] for nearly two hours.

Herr Genscher also inf[...] his hosts that unless the r[...] adopted a more demo[...] stance Western govern[...] might have increasing t[...] winning parliamentary ap[...] for military and econom[...] to Turkey.

The Turkish response [...] that Gen Evren's promi[...] restore civilian rule [...] genuine. What practical [...] if any, he plans to ta[...] appease Western public o[...] are not clear.

Hong Kong interest rate[...] cut as local dollar firms

BY KEVIN RAFFERTY IN HONG KONG

HONG KONG'S BANKS yesterday lowered interest rates from next week by a percentage point in response to lower world rates, a stronger local dollar and a decline in demand for credit. The best lending rate, equivalent to prime, was lowered from its record 20 per level to 19 per cent.

In a statement after the decision was announced, Mr John Bremridge, Hong Kong's Financial Secretary, reiterated the authorities' intention to defend the government whereby all banks abide by agreed interest rates. The agreement is the authorities' only weapon over money supply. He also said that "arrangements" have been [...] with the Government's b[...] for operations in the do[...] money market on behalf [...] Government's exchange fu[...]

This was a new dep[...] Previously, monetary int[...]tion has been in foreig[...] change operations. The re[...] are now considerable tha[...] recent strong Gover[...] budget surpluses.

Interest rates were rais[...] record 20 per cent a few [...] ago in response to rapid [...] creation and a tumbling [...] Kong dollar, which fell [...] stage to below 6.10 to th[...] dollar compared with lev[...] 5.10 at the turn of the y[...]

Big oil find in Tunisia by Amoco

By Francis Ghilès

A MAJOR oil find in southern Tunisia last month could mean that the country will avoid becoming a net energy importer before the end of the decade. First drilling by the U.S. company Amoco at El Franig, in southern Tunisia, suggests that as much as 45m tons of oil and gas equivalent may be recoverable.

Even if proved reserves turn out to be only half as high, they would ensure that Tunisia remains self sufficient in energy well into the 1990s. Today the country exports about half its 5m tons' annual production of gas and oil, helping to boost its traditionally weak balance of payments.

The Tunisian authorities are being very circumspect about the discovery. A similar size find at nearby Sabria, in 1980, proved very disappointing after further drillings. The Ministry of Economics feels that were the new oil and gas find to be widely publicised, it would detract from efforts to streamline public companies and improve the quality and volume of exports between 1981 and 1987.

Anthony McDermott adds from Cairo: Egypt has raised the asking price of its prime Gulf of Suez blend of oil by $2 per barrel to $35. This comes shortly before the Government starts its annual negotiations for export contracts.

Zambia may curb money outflow

BY MICHAEL HOLMAN IN LUSAKA

EXPATRIATES working in Zambia face severe cuts in remittance allowances, according to bankers here, under a proposal which reflects the country's acute foreign exchange shortage.

Revised central bank regulations, due to be discussed with commercial banks on November 11, stipulate that expatriate remittances will be one-third of net earnings, rather than gross earnings, as at present.

Banks will seek confirmation of the move at next week's meeting. Some bankers, however, believe that there has been a mistake and that the central bank will keep to the old formula.

Should the change be enforced the amount of money sent abroad could be cut by a third.

Annual remittances mainly to Britain are put at Kwacha 45m (£74.25m) from 8,000 to 10,000 expatriates. The largest single employers of expatriates are the state-owned mining companies, Roan Consolidated Mines (RCM) and Nchanga Consolidated Copper Mines (NCCM).

There is already a shortfall of 1,000 expatriates at the mines, which provide more than 90 per cent of Zambia's export earnings.

Should the proposed change be confirmed, recruitment of expatriates will become more difficult. There are already problems because of the high local cost of living and competition from the Middle East.

The proposal is a symptom of Zambia's acute foreign exchange problems, caused by the low price of copper and cobalt.

Arrears in payments for imports, and the remittance of profits and dividends, exceed Kwacha 600m and stretch back 18-24 months, say bankers. This is the highest level since the mid-1970's slump in copper prices and the start of Zambia's economic recession.

New French devaluation forecast

BY DAVID HOUSEGO IN PARIS

THE FRENCH FRANC will probably have to be devalued again before the end of 1982 against strong European currencies because of much higher inflation in France than in West Germany, a leading private French economic research body said yesterday.

Bipe (Bureau de'informations et de previsions economiques) said that its prediction was based on an expected average inflation rate of nearly 13 per cent in France next year.

If French prices rose faster than this during 1982, the devaluation could come even earlier, the institute said.

The French franc was devalued by 3 per cent against other currencies in the European Monetary System (EMS) last month, while the West German and Dutch currencies were each revalued by 5.5 per cent.

Bipe also expressed doubts whether the Government's forecast of a minimum growth rate of 3 per cent next year was sustainable and predicted that the increase in GNP was more likely to be about 2.5 per cent.

The business magazine Expansion doubts whether the current recovery of the economy will last beyond the winter unless there is a pick up in investment. It also doubts whether there will be the acceleration of prices in the early part of next year which had been feared.

The private sector, uncertain about the future, is still showing no sign of responding to the Government's appeal for increased investment. M. Pierre Mauroy, the Prime Minister, during a tour of Burgundy on Thursday threatened tougher action

This was taken by officials to include favoured treatment in public contracts for firms heeding the Government's call.

Backing for hardline Communists in Poland

BY OUR BERLIN CORRESPONDENT

EAST GERMANY has given its backing to a hardline group of Communists in Poland which has thanked East Germany's Communist leader Herr Erich Honecker for his country's political and economic aid.

The main East German Communist newspaper Neues Deutschland has prominently printed a letter from the so-called Katowice Seminar of ultra conservative Communists at the party school in Katowice.

It said that in their "struggle against counter revolution" the seminar knew it could count on the help and support of the fraternal Communist parties.

The newspaper quoted extensively from a speech given by Dr Wsiewolod Wolczew, chairman of the Katowice Seminar, in the presence of Soviet diplomats.

According to the newspaper, Dr Wolczew drew a parallel between present-day Poland and the "counter revolutionary putsch attempts" in East Germany in 1953, in Hungary in 1956 and in Czechoslovakia in 1968.

He said these had all failed because the Communist parties had a concrete programme of action and "decisively moved against all counter revolutionary and opportunistic forces."

Christopher Bobinski adds from Warsaw: Soliradlty, the Polish trade union, has confirmed that it is ready to continue talks with the country's authorities in a spirit of compromise. This follows Wednesday's meeting between Mr Lech Walesa, leader of Solidarity, General Wojciech Jaruzelski, Communist Party leader, and Archbishop Jozef Glemp.

A statement issued by the union yesterday said it was ready to make concessions "warranted by the greater good of society" in a gesture of goodwill towards Gen Jaruzelski.

The statement was made after it became clear that the authorities were unhappy at the tone of a Solidarity policy resolution passed by the union's national commission in Gdansk on the same day as the tripartite meeting.

Herr Honecker . . . thanked by Polish hardliners

E. German church attack on growing 'militarisation'

BY LESLIE COLITT IN BERLIN

THE EAST GERMAN Protestant Church has strongly criticised the Communist leadership for increased "militarisation" in the country and the virtual ending of contacts between East Germans and neighbouring Poles.

The normally reticent church has grown increasingly outspoken on these matters, reflecting the views of East German youth.

In a report submitted to a Protestant synod in Saxony, the church leadership said premilitary training for youths now included instruction in the use of hand grenades for 11-year-olds.

The church said youths of 17 and 18 were subjected to an "intensive campaign" to sign up for five and more years in the armed forces instead of the two years of compulsory national service.

Students who have completed their military service are expected to become reserve officers.

The church represents 8m East Germans. In recent years it has reached an accord with the Communist state, but continues to support young East Germans at odds with the system.

The church leaders in Magdeburg suggested the setting up of a civilian substitute for military service, such as that in West Germany for conscientious objectors.

Several thousand young East Germans have called for a "social peace service" in petitions

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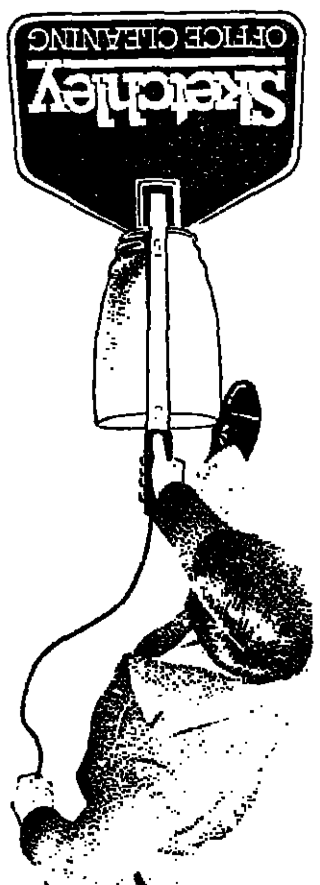


Lloyd's allows members to use gold as means test asset

BY JOHN MOORE

LLOYD'S OF LONDON is to allow its members to use gold as an asset to show that they are wealthy enough to become members of its insurance market. It is the first time gold has been allowed as an acceptable asset for means test purposes.

Individuals joining Lloyd's usually have to show they have private means of £100,000. Until now gold could not be shown as an asset because Lloyd's regarded it as a commodity and therefore felt that its price and value was unstable. Also, until recently there were restrictions on British residents holding gold stocks.

At one stage Lloyd's did allow its members to produce Krugerrands to pass the means test but these could not represent more than 10 per cent of the total assets shown.

Under the new rules gold must not represent more than 30 per cent of the wealth necessary to pass the means test. It will be accepted at 70 per cent of its market value at the date of the means test.

No premium will be allowed over the gold content of coins, and gold held is to be in the form of bullion or coins.

It is to be held to the order of the member by a bank approved by the Lloyd's ruling committee. A certified copy of the deposit receipt is to be provided as part of the statement of means.

The move marks a major relaxation in Lloyd's means test requirements and comes in a week when the market announced it was attempting to tighten up its rulings on property requirements for the means test.

Members of Lloyd's will no longer be able to include their principal residence as part of their show of wealth, but second homes will be permitted at market valuation, less any outstanding mortgage or loan.

Any property beneficially owned by a member of Lloyd's may be used as collateral for bank guarantees or letters of credit for means test or deposit purposes, including the member's own home.

Under Lloyd's rules all members have to accept the principle of unlimited liability and are individually liable to the full extent of their wealth to meet insurance losses.

Howe rules out chances of modest 'reflation'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, Chancellor of the Exchequer, set his face firmly yesterday against the idea of "modest reflation" suggested by Sir Ian Gilmour and other Conservative Party "wets."

In his first major public speech since the Tory Party Conference, Sir Geoffrey showed that *the Government remained* determined not to be diverted from its policies by the recent strong expressions of disenchantment from its own supporters.

He named none of the Tory dissidents, but it would appear that he had Sir Ian, who had called for a £5bn reflation package, and Mr Edward Heath, former party Leader, in mind in his address to the Welsh Development Corporation in Cardiff last night.

He said he had little encouragement for those who *urge us to solve Britain's problems* by making our policies more accommodating.

"People talk of 'modest reflation' or 'stimulating demand' as though by turning on a tap the basic problems of productivity and competitiveness can be evaded.

"But the truth is that during *the 1970s we saw a 300 per cent* increase in wage costs, while output rose by only 15 per cent."

Too little had been done to stop the steady decline in competitiveness and profitability of industry. Only 5p in every pound had gone into higher output, and 95p into higher prices or higher imports in that period.

Though stressing need to improve competitiveness rather than reflation, he laid emphasis on the money the Government is spending to mitigate effects *of unemployment, for example* the £1bn on special employment measures.

He told his audience that the Government had given "massive support" to public - sector industries.

The main priority of the Government must still be to moderate wage inflation.

"British exports are on average about 40 per cent less competitive than they were in 1975. Yet the sterling exchange rate is more favourable than it was then. The explanation is that unit labour costs have been rising faster in the UK than overseas," he said.

He believed there were signs of changing attitudes: "People are realising that no employee, whether in the public or private sector, is automatically entitled to a pay increase of any particular amount.

Coventry rates vote set to close schools

BY LORNE BARLING

A STRIKE by 4,000 cleaning and caretaking staff in Coventry schools and colleges, due on Monday, has arisen directly from Britain's first rates referendum, held in Coventry two months ago *despite strong* opposition from local Conservatives.

About 240 schools and other educational establishments are expected to be closed on Monday after last-minute talks yesterday failed to bring agreement on a dispute over a reduction in hours for school cleaners and caretakers. The cuts stem from spending limits imposed by the referendum.

The Labour-controlled council called the referendum in an attempt to *justify* a 35 per cent rates rise, but backfired with a seven to one vote against the proposed increases.

This result was used by Mr Heseltine, the Environment Secretary, and other Tory Ministers as evidence that ratepayers preferred spending cuts and reduction in services to increased rates.

The four main unions involved are pledged to oppose any compulsory redundancies with industrial action.

Because of this the council has devised methods of cutting expenditure by £2m through other economies, such as *curtailment of school meals and milk*: halting replacement of school equipment; and natural wastage of staff. This has caused hardship, but education services generally have remained intact.

Council plans to introduce shorter hours for school cleaners and caretakers, which the National Union of Public Employees claims will lead to a 12 per cent fall in earnings, has sparked off the first strike.

Mr Joe Little, branch secretary of NUPE, said: "The council is breaking national and local wage agreements. We cannot and will not stand for it."

The strike will affect up to 60,000 pupils and students, and in many cases headmasters have told them not to attend until further notice. The National Union of Teachers has instructed its members to do nothing other than their normal duties.

Education has borne the brunt of the cut, with the council planning to reduce its budget by £1m, mainly because of the difficulty in making economies elsewhere without job losses. The Transport and General Workers' Union and the National and Local Government Officers' Association are *the other two unions which have* refused to accept redundancy.

Ironically, the concept of the rates referendum is still opposed by Coventry Council's Tory Opposition, *on the grounds* that the elected majority should retain its right to govern, particularly at a time when *central Government pressures are* increasing.

Mr Arthur Taylor, the Conservative Leader, said: "The referendum would never have been called if the old-style Labour Party had been in power. It was only because of pressure from the Left.

Cash limits raised for four State industries

By John Elliott, Industrial Editor

THE GOVERNMENT yesterday published legislation which will raise the statutory borrowing limits of four State-owned industries by a total of £875m — with provisional powers for increases totalling a further £1.1bn.

The legislation covered British Nuclear Fuels, British Shipbuilders, British Airways and the British Airports Authority. It is needed because of the impact of inflation and investment plans on the corporations' finances.

These borrowing limits provide a statutory ceiling for the corporations' borrowings. But they have no direct effect on their annual budgets, which are controlled by external financing limits now being negotiated for 1982-83.

Three Bills were published yesterday.

A Nuclear *Industry* (Finance) Bill provided for British Nuclear Fuels' borrowing limit to rise from £500m to £1bn, with provision for a later increase to £1.5bn. This is intended to allow the corporation sufficient borrowing headroom to go ahead with a 10-year investment plan budgeted at £3.3bn.

A Shipbuilding Bill provided for increases in British Shipbuilders' limit from £600m to £700m with a further potential increase to £800m.

At the end of March, British Shipbuilders' borrowings *against this limit* stood at £408m, which is too close to the existing £600m ceiling to allow the corporation sufficient commercial flexibility.

A Civil Aviation (Amendment) Bill provided for an increase in the financial limit of British Airways from £1bn to £1.2bn, with powers for the *Government* subsequently to raise the figure in two further £200m stages to £1.6bn.

It also provided for the limit of the British Airports Authority to rise from £125m to £200m, with a later possible increase to £300m.

● The Chancellor of the Exchequer may announce outline plans for a British Telecom Bond worth £150m, to be raised from private sector financial sources, in the Commons on Wednesday, when he speaks in a debate on the Queen's Speech.

Queen opens Tyne and Wear Metro

THE QUEEN opened the Tyne and Wear Metro "Supertram" *system* yesterday, named the latest Tyne Bridge after herself and urged the people of Tyne and Wear to *take full advantage of their new mass transit system.*

The Metro cost £287m, including £160.8m government grant. The Queen described it as an "outstanding achievement of which Geordies could be proud."

British Steel seeks more tinplate cuts

BRITISH STEEL Corporation yesterday put proposals before trade union representatives for cutting a further 462 jobs in its tinplate group "as soon as possible." It brings the number of planned redundancies unveiled this week in BSC's strip products division *to almost 2,000.*

The tinplate reductions are in addition to the 2,800 lost earlier this year as part of BSC's survival plan. These reduced the workforce in BSC tinplate to 5,800.

NUR may go it alone in operating plan to slash overtime

BY BRIAN GROOM, LABOUR STAFF

MR SID WEIGHELL, general secretary of the National Union of Railwaymen, threatened yesterday to implement his union's radical plan to cut overtime next year even if agreement was not reached with British Rail.

He said that if the 170,000-member NUR went ahead with its plan unilaterally the railways would stop in some areas unless BR recruited new staff to fill gaps.

British Rail is asking its regional managers to assess the likely effects of this. Commuter services on the Southern Region could be hit because they rely more than most on rest-day working.

The plan is aimed at *preserving* some 15,000 jobs, aside from the 9,000 nominal vacancies which BR already has. Staff on basic rates of more than £100 a week would end rest-day working, and restrict overtime to 20 hours per four-week period, excluding Sundays, from April 19.

Those on £80 to £100 would join in on October 1, and the remainder on April 18 1983.

Mr Weighell conceded that some members would be opposed to overtime cuts. Implementation would be *staged to shield the worse-off* from a sudden drop in overtime earnings.

He hoped that agreement with BR could be reached by April, the railwaymen's pay settlement date, and made clear that the union would seek higher basic pay rates to compensate for loss of overtime.

The railwaymen's average of 10.3 hours' overtime a week was excessive against a backdrop of threatened job losses and high unemployment, he said.

Mr Cliff Rose, BR board member for industrial relations, said British Rail wanted to reduce overtime and that the speed of reduction depended on reaching agreement in the productivity talks which followed settlement of this year's pay dispute.

He was sure meetings would be held with the NUR and that the problem could be resolved.

Mr Weighell wanted overtime cut so that changes in working practices could be introduced "without putting one man on the dole."

BR wants to cut 38,300 posts by the end of 1984.

Mr Weighell cited this, along with recent operational changes and progress in the productivity talks, in attacking the Government for not fulfilling its part of the bargain by endorsing additional financial support and investment for the railways.

Mr David Howell, Transport Secretary, is to meet BR management and unions on December 17.

BR hopes for progress on its request for easing of cash constraint, a higher investment ceiling, a higher Public Service Obligation grant and a go-ahead for an electrification programme.

Pay talks for engineering workers delayed further

BY JOHN LLOYD, LABOUR CORRESPONDENT

TALKS on pay increases for 2m engineering workers will be delayed further to allow a second set of motor industry negotiations, at Ford, to be completed.

The talks, broken off a month ago when employers refused to improve their 3.16 per cent offer except under certain conditions, were adjourned partly to allow the BL talks, which later broke down, to reach their conclusion.

Negotiators at the Engineering Employers Federation believe the BL settlement sets a benchmark for their own, though the Ford deal may alter these calculations.

The EEF negotiators met yesterday but did not set a further meeting date with the Confederation of Shipbuilding and Engineering Unions, as had been expected.

The BL deal is believed to have added just over 5 per cent to the premium rate, though only 3.8 per cent to the basic. *Since the EEF negotiates only* premium rates on behalf of its member companies, it is felt that the BL figure is an absolute maximum—though one it hopes to settle below.

The Ford offer stands at 4.5 *per cent, though it is* "conditional upon successful implementation and continued operation of agreed efficiency improvements in each plant." The second round of talks between the company and its unions starts on Monday.

The EEF offer of 3.16 per cent could have been improved to just under 4 per cent at the last round of talks, had the unions indicated a willingness to moderate their own claim for a "substantial" increase.

Afterwards both sides talked of the possibility of a breakdown though the BL settlement has raised employers' hopes that a relatively low settlement will be achieved without industrial action materialising.

The EEF has come under strong pressure from its member companies for a low settlement, in the face of another year of recession for the industry.

It has already seen the loss of *one of its biggest affiliates*, the General Electric Company group, whose companies are pulling out at an accelerated rate. GEC prefers to negotiate increases on a plant by plant basis.

Bankers discuss Laker debts

BY ALAN FRIEDMAN

HIGH-LEVEL talks among bankers representing two loan syndicates which are owed $300m (£159.7m) by Laker Airways were completed in London this week amid renewed reports that Sir Freddie Laker may have to sell at least one of his A-300 airbuses if his request for debt rescheduling is not approved.

The discussion, held at the headquarters of Midland Bank International, ended without a final decision. Less than 10 days remain before Laker's second 30-day deferral of $12.6m in overdue payments to a syndicate led by Eximbank runs out.

This week's meeting is said to have achieved a series of "options" on partial rescheduling, but it is understood that Midland Bank would not seek to press the sale of airbuses.

Midland, besides having led the 13 banks which lent Laker Airways $131m to help purchase three airbuses, is also the designated British agent bank for financing of aircraft sales by Airbus Industrie.

Eximbank, the U.S. Government-backed bank, led the syndicate of banks which lent Laker $228m to help finance five McDonnell Douglas DC-10s. Also involved in the question of Laker's financial future are several Japanese banks which aided in earlier purchases of DC-10s.

At Midland Bank International, Mr Tony Cooper, a senior executive involved in aircraft finance, said yesterday: "The banks are working toward a solution whereby Laker continues in its present form."

Cortina hit by inefficiencies, says Ford

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD SAID yesterday that "absenteeism, inefficiencies and the inability to get vehicles right first time" at the Dagenham plant was causing shortages of the Cortina.

As a result, for the second month running the Cortina dropped in October from its usual place as Britain's best-selling car.

Ford maintained that, compared with a planned output of 950 cars a day, Dagenham had been producing only 700 in September and October. The plant, with an installed capacity of 1,100 a day, also produces the *Fiesta, but Cortina* accounted for most of the 250-a-day shortfall.

To help make up the deficiency the company has substantially increased imports of Cortinas from Belgium. In October Belgian imports made up 8,103 of the 37,618 new Fords registered, compared with only 533 of the 48,594 registered in the same month last year.

Ford indicated yesterday that it had similar production problems at Halewood, Merseyside.

However, the Escort, though in short supply, took over as Britain's best-selling new car in October.

According to the Society of Motor Manufacturers and Traders' figures, BL's new Triumph Acclaim jumped straight into the top ten in its first month.

But the group's market share slipped back to only 17 per cent after the end in September of its promotional campaign for the Princess, Allegro, Maxi and Ital.

October's top ten cars: *1* Ford Escort (13,765) sold; *2* Ford Cortina (12,972); *3* Austin Metro (7,641); *4* Ford Fiesta (7,462); *5* Triumph Acclaim (3,279); *6* VW Golf (2,627); *7* Vauxhall Cavalier (2,518); *8* Volvo 300 series (2,501); *9* Vauxhall Astra (2,497); *10* Vauxhall Chevette (2,275).

UK CAR REGISTRATIONS

	October				Ten months ended October			
	1981	%	1980	%	1981	%	1980	%
Total UK produced	47,591	42.97	48,213	49.31	583,692	44.13	578,115	42.17
Total imports†	63,175	57.13	49,557	50.69	739,006	55.87	792,733	57.83
Total market	110,766	100.00	97,770	100.00	1,322,698	100.00	1,370,848	100.00
Ford*	37,618	33.96	27,807	28.44	403,975	30.54	417,761	30.47
BL	18,671	16.86	21,752	22.25	256,811	19.42	244,336	17.82
General Motors—								
Opel	1,212		1,510		17,546		20,862	
Vauxhall*	7,597	6.85	6,534	6.68	90,876	6.87	98,870	7.21
Other GM	64		66		698		900	
Total GM	8,873	8.01	8,110	8.29	109,210	8.25	120,632	8.80
Peugeot Group—								
Talbot	4,516	4.07	5,395	5.51	62,530	4.72	81,369	5.93
Peugeot	1,158		1,253		15,895		22,512	
Citroen	2,151		1,590		24,101		25,295	
Total Peugeot	7,825	7.06	8,238	8.43	102,524	7.75	129,176	9.42
Datsun	4,921	4.44	5,506	5.63	81,718	6.18	89,619	6.54
VAG (VW-Audi)	7,141	6.45	5,429	5.55	73,053	5.52	60,964	4.45
Renault	4,654	4.20	4,945	5.06	63,820	4.82	78,593	5.73
Fiat Auto	5,851	5.28	2,029	2.08	55,535	4.20	48,262	3.52
Volvo	4,065	3.67	3,281	3.36	38,822	2.94	34,649	2.53

* Includes cars from companies' Continental associates *not* included in the total UK figure.

† Includes cars from all sources including those from associates of UK companies.

Source: Society of Motor Manufacturers and Traders

Companies launch drive against GLC

BY ROBIN PAULEY

SOME LEADING commercial and industrial companies, backed by Aims of Industry and Sir Horace Cutler, leader of the Tory minority group on the Greater London Council, are launching a £200,000 campaign against the ruling GLC Labour group.

The group is considering legal action against the GLC on items of expenditure which they think might be improper. These include the use of ratepayers money to publish a free newspaper, The Londoner, and the plans to erect a display of the current London unemployment *figures across the top of County* Hall.

The group is also awaiting the result of the Appeal Court case in which Bromley Council is contesting the High Court's refusal to declare illegal the GLC supplementary rate to fund the transport fares cut.

Both Sir Horace Cutler and Professor David Smith, Tory minority group leader of the Inner London Education Authority, attended a meeting to set up the campaign. Among the 40 companies that attended were representatives from Trusthouse Forte, Cadbury Schweppes, Taylor Woodrow, GEC, Blue Circle, Tate and Lyle, Sainsbury, Allied Breweries, Ladbrokes and Lazards.

Aims of Industry, a pressure group, said that although the campaign could be considered political it was not intended to be party political.

The group is concerned that the policies of the Labour group, led by Mr Ken Livingstone, might be attempting to leave the GLC with insufficient funds to complete a budgetary year which would then force the Government to step in.

About half of the campaign funds will be used to mount a publicity effort to inform the public about the uses to which public funds are being used by the council.

Mr Livingstone, replying to the campaign news yesterday, said he would welcome any or all of the industrialists involved to County Hall where they could discuss the GLC, its policies and the financial difficulties facing the capital and its ratepayers.

None of them had contacted him and he had no idea that a campaign was under way. But the group's basic complaint that the Labour group was virtually trying to *bankrupt* London was untrue.

On the contrary, his group was trying to construct a budget for next year which did not *involve ratepayers having to* find any more than the total they had paid in the GLC and Inner London Education Authority rates and supplementary rates this year.

● The GLC's Labour Administration did not rush through its election pledge to cut bus and tube fares without considering the *consequences*, Mr David Weitzman QC for the Council told the Court of Appeal yesterday. He said it had made "all the relevant considerations."

The GLC is contesting an appeal by the Tory-controlled Bromley Borough Council against the refusal of two High Court judges to outlaw the GLC's supplementary rate and ban the cheap fares.

High Court upholds bank union's pensions case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE BANK employees' union has won the latest round of its fight to bring the pension benefits of Co-operative Bank staff up to the level of those enjoyed by staff in the big clearing banks.

The High Court yesterday directed the Central Arbitration Committee (CAC) to look again at the comparability claim made on behalf of the Co-operative Bank staff by the Banking, Insurance and Finance Union.

Mr Justice Hodgson held that the CAC had misdirected itself by comparing only pensions, rather than all the terms and conditions of employment, at the Co-op and other banks.

The CAC, which ruled that the union's case was not well founded, had been led into error by the way in which the Co-op Bank limited its case to the area of pensions alone, said the judge.

He said that the 3,300 employees of the Co-op Bank had no separate pension scheme of their own. They had to be members of the Co-operative Wholesale Society's scheme.

The union contended that the Co-op's pension scheme was substantially inferior to those in the clearing banks.

The bank thought it could escape from the pool of comparable employers into which the union sought to bring it, merely by demonstrating that the circumstances of other banks, as regards pensions, were significantly dissimilar from its own.

It was in reaching a decision in favour of the bank on that limited argument that the CAC erred, said the judge, quashing the CAC's finding.

The bank said that it would challenge the judge's decision in the Court of Appeal.

Labour spokesman on legal affairs resigns

BY MARGARET VAN HATTEM, POLITICAL STAFF

SPECULATION on another defection from Labour to the Social Democratic Party is growing. Last night Mr Jeffery Thomas QC, Labour MP for Abertillery, said he was resigning as Labour's spokesman on legal affairs and would not stand as a Labour candidate at the next general election.

Mr Thomas told Mr Michael Foot, leader of the Labour Party, he was resigning because he was "profoundly disturbed by things happening within the party at the present time."

Mr Thomas, chairman of the Welsh group of Labour MPs, has represented Abertillery since 1970 and held it with a 59.8 per cent majority at the last general election—the highest Labour majority in the country.

He is reported to have had a few brushes with his local party, who supported Mr Tony Benn for the Labour deputy leadership, while he voted for Mr Denis Healey.

But Mr Thomas stressed his decision had nothing to do with fears of being dropped in the mandatory reselection process. He claimed support of 10 of the 11 ward parties in his constituency.

An anti-marketeer, he is generally regarded *as in the* centre of the party.

However, Mr Thomas stood to lose his seat if changes proposed by the boundaries commission take place before the next election. It would be absorbed into two neighbouring Labour seats—Ebbw Vale, held by Mr Foot, and Bedwellty, held by education spokesman Mr Neil Kinnock.

Fowler denies move to cut pension value

By John Hunt

THE GOVERNMENT ended speculation that it might cut the real value of old-age pensions as part of the current review of public expenditure.

Mr Norman Fowler, Social Services Secretary, reconfirmed in the Commons the Prime Minister's commitment that the Government would "compensate pensioners fully for price increases over the lifetime of this Parliament."

He declined to give an assurance that cuts would not affect unemployment and invalidity benefits.

Mr Fowler was answering a question in the Queen's Speech debate on the National Health Service put by Mr Paul Dean, Tory MP for Somerset N, who was Under-Secretary for Health and Social Security in the Heath administration.

Healey attacks Labour's block-vote system

BY MARGARET VAN HATTEM

MR DENIS HEALEY, deputy leader of the Labour Party, yesterday called on its national executive committee to *introduce the one-member-one-vote* principle throughout the party and its affiliated trade unions.

He warned of "dangerous weaknesses" in the party's present decision making process. In leaving decisions to union executives or constituency general management committees, was laying itself open to invasion by Marxists, Trotskyists and extreme sectarian cliques, he told a meeting of the Hemsworth Constituency Labour Party.

Mr Healey's plea for a one-member-one-vote rule comes less than a year after the so called Gang of Three left the Labour Party to found the Social Democratic Party—having failed to win support even from Labour's right wing on precisely this point.

Mr Healey, whose alleged passivity *at the time made him* the subject of bitter attacks from many who have subsequently joined the SDP, indicated yesterday that his recent near-defeat for the deputy leadership at the party's Brighton conference may have encouraged him to speak out.

"Where a trade union or constituency party took the trouble to consult its members, it discovered often that their views were very different from those of its national executive or general management committee—and much closer to the views of the average man and woman whose votes we need if we are ever to form a majority government."

Moore fetches record price

A LONDON art dealer paid $310,000 (£167,500) for a 9 ft long sculpture by Henry Moore, Three-piece Reclining Figure No. 1, at a Sotheby auction in New York on Thursday. The saleroom

SALEROOM

By ANTONY THORNCROFT

claimed it as a record price for any work of art by a living British artist.

Another record in the sale of Impressionist and modern art was $600,000 which secured Bridge and Groom with the Eiffel Tower by Marc Chagall.

A Cezanne, Still Life with Apples and Napkins, realised $1.8m and a *Monet Pleasure Boats at Argenteuil*, $1.3m.

Seamen 'to strike' unless Irish ferry is saved

BY BRIAN GROOM, LABOUR STAFF

MR JIM SLATER, general secretary of the *National Union of* Seamen, yesterday threatened serious industrial action if the Government does not act to save the Belfast to Liverpool ferry, which P & O is to close next Wednesday.

"We are capable not only of a national strike, but an international one. We will get support from all our members no matter what company they work for," he told a meeting of 150 workers at Central Hall, Liverpool.

The Government has told the six unions representing sea and shore workers on the ferry that it is reasonably optimistic that *a potential operator for the service will make an announcement before Christmas.*

However, there is little prospect of anyone coming forward before the closure date, and the Government has refused financial aid. The ferry is losing £1.2m a year.

Mr Slater said there would be full backing for the workers if they began a sit-in on the two vessels, the Ulster Prince and the Ulster Queen. A sit-in at the start of this year had earned a reprieve for the route.

The unions are pressing for last-ditch meetings with Mr James Prior, Northern Ireland Secretary, and Mr Michael Heseltine, Environment Secretary, who has special responsibilities for Liverpool.

THE WEEK IN THE MARKETS

New issues buoy sentiment

LONDON

ONLOOKER

SHARES have had a very good week. If it had not been for a bout of profit-taking yesterday, the FT Industrial Ordinary Index would have been set to consolidate its position above 500, or a 42 point rise on the two-week account. As it was, the Index closed yesterday at 494.5.

There was enough in the week's developments to please everybody. Those who like to watch the real economy (which by no means includes everybody) were cheered by the end of the BL dispute. Motor components issues were in good form, regardless of whether or not BL plays an important part in their current sales.

Those who like to measure the economy on statistical grounds (however distorted and strike affected the figures the Government pumps out really are), could take heart from the latest quarterly Public Sector Borrowing Requirement which suggests that the £10.5bn target for this year may even be within range.

But the icing on the industrial and economic news was undoubtedly the new issue market. Cable and Wireless cheered everybody up with a hefty premium over the 168p offer for sale price and there is the Exco issue to come. Dealers are already working themselves into a lather on this flotation, not least because it strikes many chords with the business they know best: bringing buyers and sellers together at a nice profit for the middleman. Never mind that the Exco business is money and the stock exchange trades in shares, Exco seems primed for a sparkling debut.

Calorie counter

At this time of year the British Sugar Corporation would normally be concentrating on the hectic winter job of processing the sugar beet harvest. This autumn, though, there are less rural preoccupations, and it is only natural that executive thoughts should occasionally stray to S and W Berisford. After more than a year of discreet share purchases, less discreet market raiding, bids, a Monopolies Commission reference and a placing of the Government's share stake, Berisford ended up with 40 per cent of BSC. Under the takeover rules it is not allowed to bid again until July 1982.

Not surprisingly, BSC does not relish the thought of sitting still for eight more months and then being gobbled up whole. This week it tried to do something about it, by raiding the shares of Ranks Hovis McDougall, a company which has been making a poor return on its considerable asset base and whose shares are not highly prized. BSC, RHM and Berisford are going to talk things over in the next few weeks: it is still not clear whether BSC is trying to impress shareholders with its strategic planning, grow too big for Berisford to buy, or change into the sort of company (highly geared and broadly diversified) that Berisford would not be interested in acquiring.

The idea of a merger with RHM—if that really is the idea, which must remain speculative since BSC has decided not to tell its shareholders what it is up to—is certainly ambitious. RHM is capitalised, like BSC and Berisford, at nearly £200m, and some of its assets need a lot of money spending on them. RHM would probably have to be convinced that the bid was a good idea, and Berisford, with its large stake in BSC, must have a good chance of blocking any move big enough to require shareholders' approval. The independent shareholders of BSC, who could buy RHM shares in the market at 50p whenever they wanted to, will soon want to be told why their management thinks it sensible to build up a large holding in this unexciting company at a hefty premium.

Reed recovery?

The bald figures from Reed International this week looked pretty unexciting. Second quarter profits were shown at £14.9m pre-tax against £23.1m in the previous three months and £15.2m from the comparable period. But add back some hefty redundancy costs and the latest figures look a little more presentable. Reed forked out £5m of redundancy payments in the last quarter compared to £1¼m in the preceding three months. Adjust for that, and the quarter on quarter profits decline comes out at a fifth rather than a third.

Overall half time profits are shown at £38m against £27m yet the comparable period had to bear the brunt of an estimated £12m of strike costs. So underlying profitability for the two and half years is roughly all square—not a bad achievement given the jump in interest charges from £3.4m to £6.7m and the downturn at the Mirror group from a healthy contribution to just above break even.

The recent weakness of sterling has helped the revenue account. Profits from overseas for the six months rose £4m to just over £21m with the second quarter chipping in slightly more than the first. Meantime exports, especially from the building products division, are advancing nicely.

The good news from the interim statement seems to be that both 1980's problem areas—paper making and decorative products—are coming right. However a measure of how much action still needs to be taken at Reed is highlighted in the forecast of a £5m loss from Odhams his year.

Nevertheless, a cover price rise at the Daily Mirror and 20 per cent hike in advertising rates will steer the newspaper division towards a better return in the second half and analysts are pencilling in profits of around £80m for 1981-82—still £20m short of the 1979-80 peak but some £30m better than last year

Argyll arguments

Argyll Food's £87m bid for Linfood Holdings has been building up a considerable head of steam in the last eight days. Both sides have taken every opportunity to harangue Linfood's shareholders before Argyll's cash offer closes on November 10 and, if this week's experience is any guide, both protagonists will have a lot to say right up to the last moment.

A busy week began in the knowledge that Linfood has arranged to sell off its delivered wholesale division. Its performance would have given the aggressor a prime opportunity to attack the defence's track record. The division turns over more than £250m and earns just £100,000 pre-tax. Now Linfood has arranged to sell the opertation to its management but Argyll has still been concentrating a good deal of its effort to an attack on the terms and conditions of the disposal.

Linfood has also forecast that it will produce 30 per cent pre-tax profits growth to £11.6m for the current financial year and promises not only to restore the dividend but to add a little as well to pay 12p net per share as a total distribution.

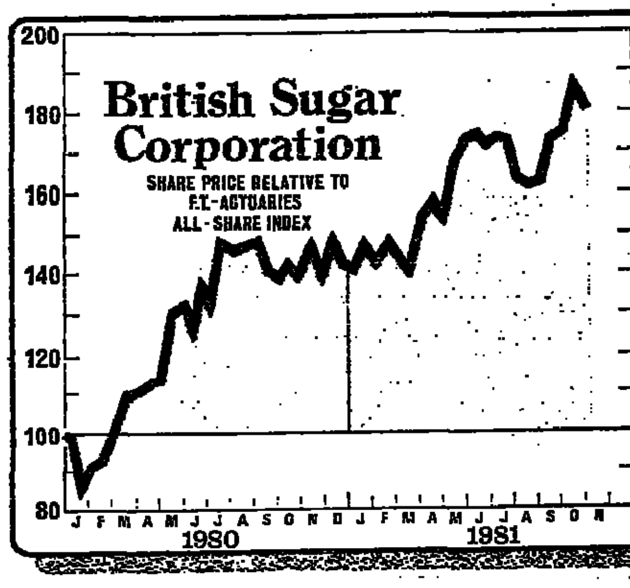
Argyll has attacked all this, too, ... the management buy-out seems to be capturing the attention of both sides and their advisors. Argyll cannot see how, if the division is sold for £21m, delivered wholesale can service the debts for which Linfood will remain responsible. And, invoking Joseph Heller's classic Catch-22, it says that if it can finance these borrowings, surely the division is being sold too cheaply.

In many respects this disposal is important since Linfood is raising the issue of management style. A new broom is sweeping clean in its Wellingborough headquarters which promises to clear out the parts of the business which have no hope of growth or a worthwhile return on funds employed. The defence says that, for all that the past record is uninspiring, new management can and will do better.

Certain of Linfood's big institutional shareholders appear to like the deal and what it says about Linfoods' new-found determination. M & G, for one, looks to be voting its near 7 per cent stake on behalf of the incumbent management in the belief that, at just over 170p in cash terms, the offer is pitched a little bit low. But, presumably, there is a lot more to be said, and perhaps heard.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	494.5	+26.0	597.3	446.0	BL reprieve/buyers more confident
F.T. Govt. Secs. Index	62.09	+ 0.93	70.61	60.17	Hopes of lower interest rates
Assoc. Comms. A	54	+12	66	39	Mr H. A'Court acquires 50.1%
Brit. & Commonwealth	305	+40	335	262	Stake in Exco Int.
City of Aberdeen Land	510	+85	510	310	Shares issued to institutions
British Home Stores	130	+15	184	108	Institutional support/bid talk
Falcon Mines	140	−60	650	140	Div. omission/reduced profits
House of Fraser	162	+16	183	117	Awaiting Monopoly Cmm. verdict
Int. Thomson	277	+40	315	220	Rationalisation proposals
Mercantile House	460	+68	525	280	Money brokers in demand
Metal Box	148	−18	224	128	Press comment
Minorco	463	+48	710	388	Broker's recommendation
NatWest Bank	392	+30	425	338	Press comment
Peko-Wallsend	355	+30	525	325	Copper discovery
P & O Defd.	135	+34	163	94	Take-over speculation
RHM	68½	+12½	71	43	British Sugar's dawn raid
RTZ	475	+33	633	372	Take-over rumours
Sainsbury (J.)	485	+40	500	330	Excellent int. results
Trident TV A	59	+12½	60	36	Buys Playboy gaming interests
Whitbread A	156	+20	192	134	Int. results due Tuesday



Trident at the tables

One of the deals announced last week might easily be incorporated into those lists of trick questions with which newspapers like to tease their Christmas-blown readers at the turn of the year. Which company paid £17m for a business that, in its latest financial year, was making pre-tax profits of £16m?

The answer is Trident Television and the business it bought is the UK gaming operation of Playboy Enterprises. No self-respecting question compiler would dream of asking what Playboy is, that's too easy, but why did Trident deal and why is it buying so cheaply?

Trident has lots of cash following the sale of its television franchises in Yorkshire and Tyne-Tees and is pitching at what, on first sight, looks to be a knock-down price only because it cannot rely on Playboy Gaming Operations' future profits.

Trident has taken up the licensing appeal, lodged earlier by Playboy and, if that it turned down, it has applied for certificates of consent which would enable it to obtain gaming licenses in its own right.

The television group has been encouraged by the experience of other gaming newcomers, notably Lonrho when it acquired the International Sporting Club, which have been able to appeal successfully against earlier licensing objections.

Nobody is betting on the outcome. Trident is British-based and managed, which may have an important bearing on the final decision. It has a clean bill of health which, again, is a very important factor. But even those close to the action are never quite certain where organised gaming in this country will go, whether we are a nation of gamblers or puritans

Falling spirits

NEW YORK

PAUL BETTS

THE LABOUR DEPARTMENT reported yesterday a far bigger than expected jump in U.S. unemployment to 8 per cent last month undermining President Reagan's confidence that the recession will be short and mild. And the stock market, buoyed earlier in the week by the decline in U.S. interest rates and a new binge of oil takeovers, went back into a sulk.

Wall Street was given a big ice lolly last Friday when the Federal Reserve further reduced its discount rate, some of the street's most pessimistic soothsayers turned moderately bullish, and Mobil set off a new rash of takeover fever. But as this was to all intents a Halloween party, the treat was quickly followed by a trick.

From the corporate side, the bad news came thick and fast. Perhaps the worst came from Detroit which reported the worst October car sales figures in more than 20 years. For the car makers, trying to attract buyers to the salesroom by offering a wide range of special promotions and discounts, this was a disastrous start to the new 1982 model year. It also puts the lid on any earlier hopes that they would return into the black in the last quarter of the year.

At the beginning of the week, General Motors shares enjoyed a brief pick up when the company announced on Monday an unchanged third quarter dividend of 60 cents. There had been fears that the leading car manufacturer would cut its dividend. But the stock subsequently edged down close to its five year low or around $35.

Chrysler, which was supposed tao pull off a miracle this year, is again nearly back to its all time low, trading this week just over $4. And Ford is no better with the stock trading at around $16½ compared to a high of $26½ this year and a low of $15½.

If the outlook looks bad for cars, it is far from bright for steel or machine tools. The steel companies generally had a good third quarter because demand was high especially for tubes and pipes for the oil industry where profit margins have traditionally been strong. But all the big companies are warning that demand in the final quarter is weak with the industry now currently operating at 60 per cent of capacity, down from 85 per cent at mid year.

This has been reflected in the performance of most steel stocks this week. Bethlehem Steel, perhaps the most representat of the steel companies in t it is not diversified, was trad at around $21 compared to high-low range of 32 and 1 But U.S. Steel, the largest s company, appeared to buck trend in the sector. In this reflected the diversi nature of the giant comp but also its plans to spend cash to make one or more acquisitions.

In the machine tool se the leading company, Cinci Milacron, has been trading week around the $25 level c pared to a range this year a high 46 and a low 23. again suggests that Wall St perceives that the recession v probably last longer than Administration hopes or thi and will be far deeper than White House has so far clain

The going was also rough the aerospace business. Boe the most successful civil airc manufacturer in the U.S. the grand daddy of aeros stocks, announced this we plans to lay off an additi 1,300 people before the en the year and between 2,000 3,000 workers during the half of next year. The s which was trading as high $44½ at one stage this yea now down at around 25 and

But the other two main craft manufacturers—Lock and McDonnell Douglas— been performing relatively in the market although t in contrast to Boeing, are losing a bundle of money. Street, however, is encour at the idea that Lockheed pull out of its TriStar gramme and concentrate in more lucrative military ma As for McDonnell Douglas, manufacturer of the DC lin commercial aircraft, has cently been winning a l bulk of Pentagon orders.

Elsewhere, the general ture has been equally glo In the high technology so-ca growth sector, Honeywell nounced it was closing a s computer and terminals p The oil stocks, despite the l wave of takeover activity, selling at rock-bottom p with Mobil, among others, ping below $25 yesterday m ing, and General Electric— "Mr Everything stock" w manufactures practically e thing that runs on electr and is as good an inde any—is trading at ar $55-56, or four or five p above its year's low and n 15 points less than its hig $69¾ in the past 12 month

MONDAY	866.82	+
TUESDAY	868.72	+
WEDNESDAY	866.82	−
THURSDAY	859.11	−

Ideas for Christmas shopping?

MINING

KENNETH MARSTON

APART FROM the South African gold mines, which are still getting quite a good price for their product, the rest of the world's mining industry these days cannot hope to do much more than keep its head down until the economic storm blows over.

Results being reported for the third quarter by the international mining companies continue to make poor reading, especially in the case of nickel which is normally subject to a seasonal turndown in demand during the third quarter. But Mr H. T. Berry, of Canada's Falconbridge Nickel says this is only part of the reason for his company's poor results.

Hit by a combination of general recession and competition from cheap Russian nickel Falconbridge earned only C$645,000 (£288,000) in the quarter compared with C$7.79m in the previous three months and C$8.68m in the third quarter of 1980. Furthermore Mr Berry expects the nickel market to remain soft in the current three months.

At least his company has managed to stay in the black, which is more than can be said for the No. 1 in the nickel business, Inco. The Canadian group recently reported its first quarterly loss for nearly half a century of U.S.$29.4m (£15.7m) and has now decided that its laterite nickel operations in Guatemala, which are heavy users of oil fuel, are unlikely to be able to make a profit for several years.

Previously suspended, they are now to be moth-balled and this will mean that Inco will have to write down the $220m investment by possibly as much as $180m.

Unhappily, this painful pruning will not leave Inco all that much better off in the near future despite the continuing profitability of the Canadian operations which last quarter made a profit of $56m before tax and the deduction of losses of $11m attributable to the Indonesian and Guatemalan subsidiaries.

The trouble is that Inco is saddled with heavy interest payments on its huge loans. These payments, which amounted to $47.6m in the third quarter, are keeping the company in the red and with the heavy Guatemalan write-down in the offing a big loss must be expected for the fourth quarter and for the full year.

It is thus going to require a substantial improvement in the nickel market for Inco to get out of the wood and the shares have fallen to around $13 which capitalises this great company at some $975m. This is not nearly so much as it may appear when it is recalled that as recently as the beginning of this year the valuaiton was $1.5bn.

Furthermore, about half the latest valuation is covered by Inco's big stocks of unsold nickel, leaving the rest to account for the company's mines, plant and other assets—a fraction of the cost that would be needed to create them today.

Thus, it would not be surprising to see a natural resource major either making an outright bid approach for Inco or securing a sizeable shareholding as a long term investment.

As depressed market conditions dampen share prices of high calibre mining companies the latter are bound to be vulnerable to such approaches and this week America's Amax has again been the subject of bid rumours.

The popular view is that Standard Oil of California (Socal), which acquired 20 per cent of Amax after an abortive take-over attempt in 1978, might be preparing to have another go.

Needless to say, the moment take-over talk is in the wind buyers turn to Rio Tinto-Zinc which must be one of the most "un-bid for" stocks on record. One has a feeling that it is going to stay that way, but the possibility of an oil major taking a sizeable shareholding in RTZ is always on the cards.

Indeed, the thought occurs that the oil majors after their first flush of enthusiasm for fully acquiring mining companies may now be less enchanted with this ploy as they realise just how difficult it is to run a company which has to live with sharply fluctuating metal prices and steadily rising costs—a far cry from relatively stable prices for oil.

They may feel that a long-term minority investment, which leaves the operating headaches to the mining company, might be a better alternative. Mining companies, themselves who know about the business, tend to take this line as with the British Petroleum group's Selection Trust with its holding in Amax, Gold Fields with the stake in Newmont and, of course, Charter's risk-spreading holdings in other leading mining finance houses.

While the prices of most base metals are so low that they hardly offer a living to the producers, there is one outstanding exception. It is tin, the price of which is notching up record highs—in inflated currency that is. But tin, like other base metals, is not being eagerly bought by consumers.

Somebody, somewhere, is pushing the tin price up by making forward purchases on the London Metal Exchange. These largely involve paying a margin of 10 per cent of the price and something like £200m is believed to have been spent this way by the mystery buyers who have skilfully supported the market.

Whoever the buyers are, it seems not unreasonable to suppose that they are close to the Malaysian tin mining industry. Without the buying the industry there would be in a difficult state because production at many of the mines is falling, as our monthly tin concentrate outputs table shows.

Just how long these, apparently, artificial high prices for tin can be maintained is anybody's guess. But the laws of supply and demand cannot lightly be tampered with and holders of tin shares could be living on borrowed time.

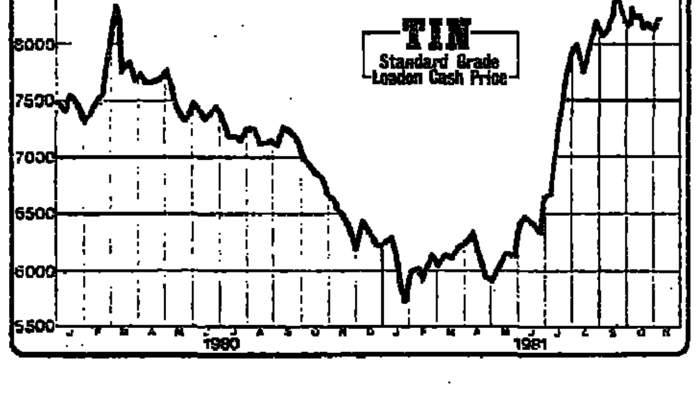
All that one can hope is that the tin buying will be able to last long enough to see the industry over until the eventual world economic recovery justifies the high metal price.

In the meantime, those who believe in this recovery would do better to concentrate their attentions on shares of the producers of the other base metals where prices are more realistic.

TIN OUTPUTS COMPARED

	Sept 1981 tonnes	Aug 1981 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	¶	¶	508	(4)	527
Amal. of Nigeria (columbite)	¶	¶	39	(4)	83
Aokam	114	146	384	(3)	260
Ayer Hitam	110	104	302	(3)	518
Berjuntai	294	310	1,534	(5)	1,582
Bisichi Jantar (tin)	8½	16	138½	(9)	199½
Bisichi Jantar (columbite)	17½	19½	171	(9)	247
CRM Sri Timah	72¼	55¾	529	(9)	664
Geevor‡	113	64	648	(6)	534
Gold and Base (tin)	18	20	158	(9)	204
Gopeng	148¾	167½	1,697	(12)	1,921½
Idris	7½	14¼	76¾	(9)	150¼
Kamunting	17	18	82	(6)	20
Kinta Kellas	36¾	37¾	216	(6)	171
Kuala Kampar	12	11	74	(6)	131
Malayan	662	669	2,013	(3)	783
Pahang	92	92	184	(2)	229
Penkalen	5½	3½	39¾	(12)	151½
Petaling	65¼	85½	829¼	(11)	1,519¼
Rahman	91½	121½	343½	(3)	310¾
St. Piran—Far East	¶	21	76	(5)	80
St. Piran—UK (South Crofty)	¶	77	726	(5)	790
St. Piran—Thailand	¶	70	333	(5)	334
Sungei Besi	61	83	459	(6)	689
Tanjong	18	10¼	138¾	(9)	217¼
Tongkah Harbour	36	31	95	(3)	97
Tronoh	58	66	475	(9)	1,229

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.



U.S. oil stocks horror story

BY PAUL BETTS

"IF THERE is a bunch of shareholders stupid enough to sell their oil stocks at these prices, then it is hardly surprising that Conoco went, that Marathon will probably go, and that other oil companies will follow."

This, in the words of one Wall Street oil analyst, is the simple explanation of the unprecedented takeover activity shaking up the entire U.S. energy industry and which has sent oil stocks on a hairy roller coaster ride on the New York Stock Exchange for most of this year.

The roller coaster was again climbing up the slope this week in the wake of Mobil's $5bn unfriendly pass at Marathon Oil. After a brief interlude following this summer's epic battle for Conoco, takeover fever has again gripped the market. And if Mobil, which failed with Conoco, is successful this time with Marathon, Wall Street expects the floodgates to open for even more oil company takeovers. "Cities Service for one," says Bruce Lazier of Paine Webber, "is a sure goner if Marathon goes."

The oil companies have all been selling at big discounts this year. One of Wall Street's favourite phrases is that it is cheaper today to buy oil on Wall Street than anywhere else in the world. In the circumstances, it is not surprising that many companies are seizing what they see as a unique opportunity to secure new oil and gas assets at bargain prices.

The great oil company auction is in large measure the product of what the oil industry at least believes are some pretty odd investment decisions by the big institutional investors. The big insitutions and mutual funds have all been selling off great chunks of their oil holdings driving down the prices of major oil stocks. In the first six months of this year, despite the growing surge of oil takeovers, the institutions slashed their oil stock portfolios by nearly $5bn.

One of the most curious things of this huge sell-off is that many institutions appear happy to sell their oil stocks at prices translated in terms of oil and gas reserves of between two to five dollars a barrel while they will lend money to the same oil companies against the collateral of oil valued at between ten and fifteen dollars a barrel.

Mobil's $85 a share offer for Marathon puts a value of around $2.5 a barrel on Marathon's reserves. This is a clear steal considering the net present value of a barrel of oil in the U.S. is around ten dollars. Du Pont, which bought Conoco for $6.9bn, ended up paying around $5 a barrel for Conoco's oil.

There is another way of looking at this. As a result of the institutional sell off, the gap between what oil stocks have been selling at and their asset, liquidation, real, or whatever you want to call it, value per share has growin to astonishing proportions. Here is a sample of some of the vulnerable of potentially vulnerable companies from the Paine Webber suggested hit list. Marathon Oil has been trading in the high eighties following Mobil's $85 a share bid was put down at $207 per share. Cities Service, trading in the $50-60 range, has an asset value of $100. Union Oil of California has asset value of $85 a share and trades at $40. Conoco has sold for a compounded cash-share price of $88 and its asset value (for oil and gas alone, excluding its vast coal reserves) was put at around $155 a share.

In the current oil auction the rule of thumb appears to be the bigger the oil company the bigger the discount. Thus Du Pont will probably end up with the biggest discount for Conco, the country's ninth largest oil company, when the dust finally settles. Wall Street expects Marathon to go for around $120 a share or more than Conoco. But it also expects the discounts to become smaller for smaller potential takeover targets like Kerr-McGee, Pennzoil, or Cities Service for that matter.

"The reason," Mr Lazier says, "is that not that many companies can bid for the big ones." He suggests there are only perhaps five or six companies which could take on Mobil in a bidding war for Marathon. In any event, some of these bigger companies might prefer to let Mobil get on with its raid on Marathon and turn their attention on some other company. In this way, there would be less of a risk of driving up the price of a takeover target to a point when the discount no longer becomes attractive.

For smaller companies, it is a different story. There one can expect a fierce bidding contest in that more people can afford to enter into the fray.

CONOCO

Mobil

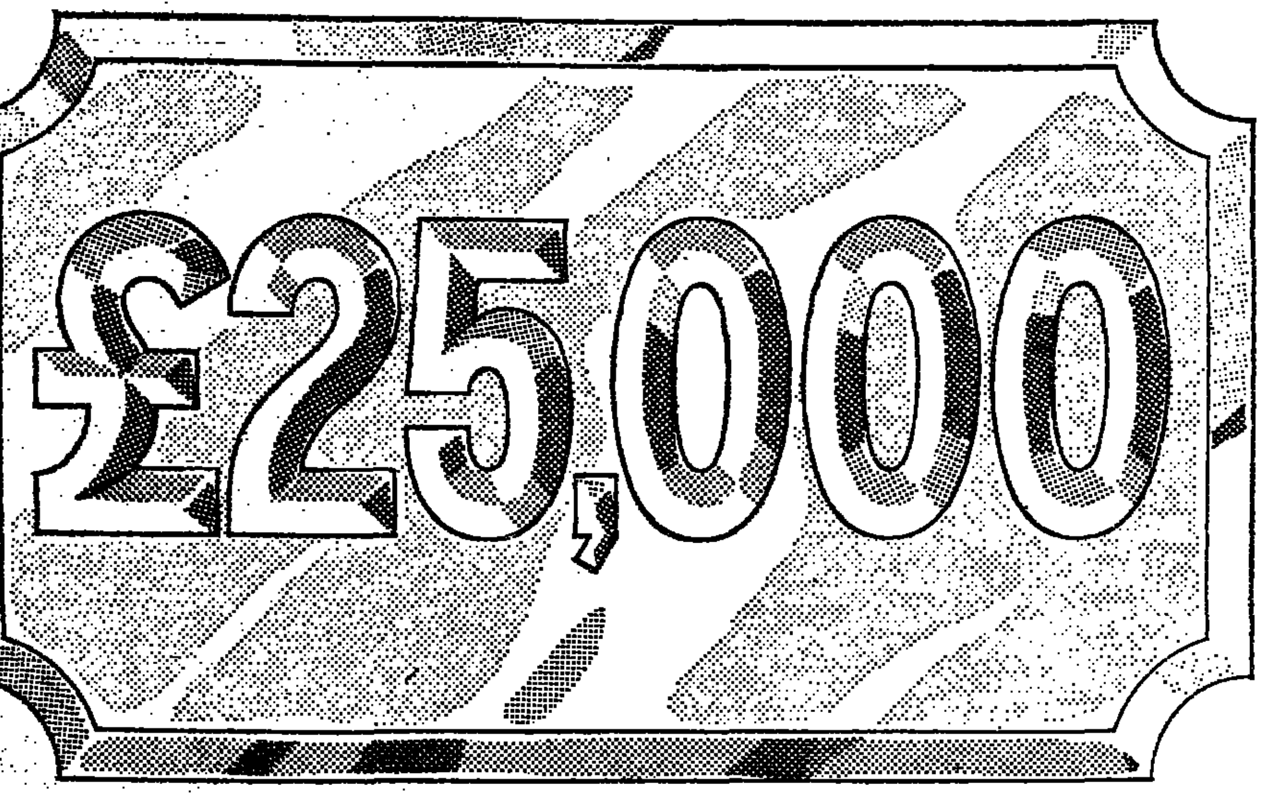
M MARATHON

But despite the takeover euphoria which has swept the market again, there is one cloud hanging over Wall Street. It is the old familiar problem of anti-trust. In a sense, Mobil, with its bid for Marathon, is for the second time this year testing the U.S. anti-trust laws. In the case of Mobil's unsuccessful bid for Conoco, the Justice Department never said one way or the other whether it would block a Conoco-Mobil combination. But lingering doubts that the anti-trust authorities might oppose the deal persuaded Conoco shareholders to tender heavily to Du Pont and Seagram, although Mobil was offering far the highest cash price.

Marathon, as part of its ir strategy to block Mobil, is lenging the bid on anti grounds. It won this wee temporary restraining orde Mobil's offer. On Thursda another legal setback for M a Federal Judge set Nover 17 as the date for a hearin a preliminary injunction Marathon's anti-trust comp against Mobil's bid. All helps Marathon play for when speed, from Mobil's p of view, is of essence. In t Marathon's stock which shooting up more than 20 p to $90 after Mobil's annou ment last Friday has su quently come down this v to around $83, or a coupl points under Mobil's $85 a s opening bid. This in reflects some concern in market that Mobil might counter some anti- problems.

But if Mobil does encounter any serious anti-t obstacles, and the general ing is that it probably will then the stage will be set a takeover fireworks display a grand scale. Oil compani whether predators or the — have some $40bn in rece negotiated credit lines to tain a long running show w is likely to lead to fur dramatic changes in the pat of ownership in the U.S. industry.

Two vital sums for the private investor.

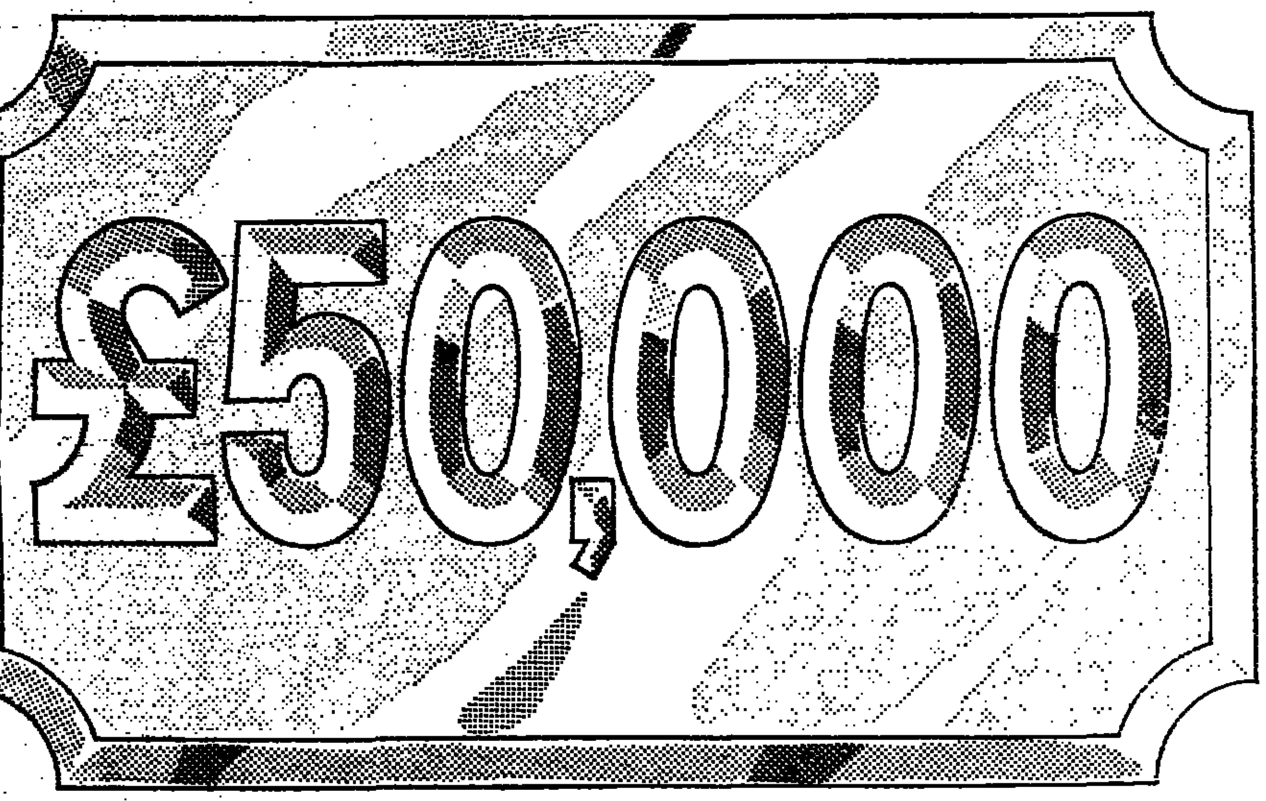


Does your invested capital amount to £25,000 or more? If so, you should seriously consider the advantages of the Vanbrugh Investment Portfolio Service, especially after the alarming volatility recently displayed by the stockmarket.

This unique scheme is specifically designed to allow the private investor with substantial funds to benefit from the investment management resources of the country's largest investing institution, and at the same time to enjoy exceptionally good communications with the managers actually looking after the funds.

This service (VIP for short) has proved itself an outstanding success but now we have added a significant new dimension to the appeal and advantages of this unique scheme.

Vanbrugh Investment Portfolio
An exclusive Vanbrugh service for the management of investments worth £25,000 and more.



Do your total assets, including investments and property, exceed £50,000? If so, your heirs could be hard hit by Capital Transfer Tax, which eats into estates valued at more than £50,000 with increasing severity. There are, of course, several exemptions which can help take the sting out of CTT, if used systematically. However, previous 'CTT mitigation schemes' have normally involved both loss of income and loss of access to capital.

Not surprisingly, many private investors with assets substantially in excess of £50,000 have been unwilling to lose access to their capital in an age of continuing high inflation – in spite of the urgent need to plan ahead for the sake of their heirs.

To resolve this dilemma, the Vanbrugh Inheritance Trust (based on an important relief in the 1981 Finance Act) has been carefully designed to enable an investor to transfer unlimited capital by way of a loan to a Trust which invests in the Vanbrugh Investment Portfolio to generate growth for his beneficiaries.

What makes the trust so special is that, probably for the first time ever, the investor can achieve substantial CTT savings without forfeiting an income from the loan capital used and, more importantly, without losing access to that capital.

Vanbrugh Inheritance Trust
A unique Vanbrugh plan to help you reduce Capital Transfer Tax while retaining access to your capital.

The Vanbrugh Investment Portfolio

Service, communication and personal attention are the hallmarks of the Vanbrugh Investment Portfolio, which was specifically designed to meet the needs of investors with £25,000 or more.....investors who, in recent years and indeed weeks, have been increasingly disturbed by the volatile performance of the stockmarket; and who are nowadays hard-hit by the escalating costs of stockbroking advice and transactions.

Through the VIP scheme the investor with £25,000 or more can enjoy the very highest standards of professional management, provided by the investment department of the Prudential Group, Britain's largest investing institution.

At the same time, VIP investors are kept in close touch with their investment managers' thoughts and actions, the state of the funds where their money is invested and overall prospects in each of the key investment markets.

A checklist of VIP advantages

- ✱ Economic events and investment prospects are reviewed in a quarterly VIP investment bulletin.
- ✱ Annual Fund Reports are issued on all VIP Funds.
- ✱ Special Financial Bulletins are prepared to brief VIP investors on such matters as taxation changes.
- ✱ Statements and valuations are immediately available on request.
- ✱ Investments are free from basic rate and Capital Gains taxes which are borne by the Funds.
- ✱ A regular income may be taken completely free of immediate taxation (within certain limits).
- ✱ Annual VIP Investment Conferences give investors a chance to meet the investment directors responsible for their funds, hear their opinions on current economic events and discuss their own portfolios.

The investment platform of VIP

The Vanbrugh Investment Portfolio is based on a range of funds designed to provide the maximum protection against inflation and excessive investment volatility.

The **Vanbrugh Equity Fund** has comfortably outpaced the Cost of Living Index since it was launched 7 years ago. The **Vanbrugh Property Fund** has a stable growth pattern based on the inherent counter-inflationary strength of bricks and mortar and the Prudential's experience as the second largest property owner in the country (after the Government).

The **Vanbrugh International Fund** is a portfolio of worldwide securities designed to achieve a global balance of risk and opportunity, as a hedge against the vagaries of UK politics and economics.

The **Vanbrugh Fixed Interest Fund** is an actively managed portfolio of gilt-edged stocks and deposits in the short term money markets designed to enable the private investor to obtain substantially better returns than from directly held gilt-edged or other fixed interest investments.

The **Vanbrugh Cash Fund** provides a haven for investors during periods when all investment markets look unattractive.

Investors may either spread their capital between these funds, and switch between them at will according to their view of current prospects, or invest in the **Vanbrugh Managed Fund**, *entrusting the Vanbrugh investment managers with responsibility for this allocation.*

Investors may make one switch between funds free of charge every year, and any subsequent switches are charged at only ½%, making a very favourable comparison with the 6% or more which 'buy and sell' transactions incur on the stock exchange.

Boosting your income through VIP

The VIP service benefits from the favourable tax treatment enjoyed by life assurance companies. This means that the investment income earned by the funds is not taxed at the individual's highest tax rate (up to 75%) but at the rates of 30% and 37½% paid by insurance companies.

Secondly, investors can take a regular income which, within certain limits, is completely free of immediate tax regardless of other investment income. This can produce a really worthwhile increase in the yield from a given capital sum.

VIP
Vanbrugh Investment Portfolio

To Vanbrugh Life Assurance Ltd.,
41/43 Maddox Street, London W1R 9LA.
Telephone: 01-499 4923
A member of the Prudential Group.

The Vanbrugh Inheritance Trust

Investors can now combine the special advantages of VIP with substantial savings in Capital Transfer Tax uniquely possible through the Vanbrugh Inheritance Trust.

This plan was devised in response to the CTT changes made in the 1981 Finance Act and allows you to:

- ✱ Transfer unlimited capital into the Trust without incurring any legal costs.
- ✱ Remain entitled to the repayment of your loan as a lump sum or as a regular tax-free income for your spouse or yourself.
- ✱ Build up investment profits as an estate which is exempt from CTT.
- ✱ Remain eligible to share in the investment growth as a beneficiary under the Trust.
- ✱ Continue to use other CTT exemptions, such as the right to gift £3,000 annually.
- ✱ Convert an existing portfolio of stocks and shares into the Trust on very favourable terms and without complications.

Please send in the coupon below for full information on the Vanbrugh Investment Portfolio and Inheritance Trust.

To Vanbrugh Life Assurance Ltd.,
41/43 Maddox Street, London W1R 9LA.
Telephone: 01-499 4923

Please tell me all about... ☐ The Vanbrugh Investment Portfolio
☐ The Vanbrugh Inheritance Trust

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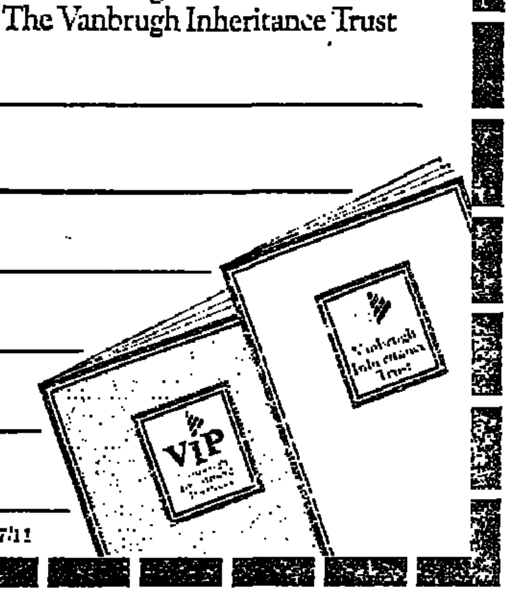


FINANCE AND THE FAMILY

Loans for house purchase

BY OUR LEGAL STAFF

If, as a result of adding to a series of mortgages, the total outstanding comes to exceed the £25,000 on which interest paid is allowed against tax liability, what rules are there for deciding the part of the mortgage interest that is disallowed? Is it the first or the last portion, or an average of the total? Clearly, where mortgages have been entered into at varying rates of interest, it can make a considerable difference.

Generally speaking, loans for house purchase and improvement have to be taken chronologically in calculating the £25,000 limit; so it is the last one which has its interest partly (or wholly) disallowed. The rules are to be found in paragraph 5 of schedule 1 to the Finance Act 1974, as amended.

For general guidance, you should ask your tax inspector for a copy of the free booklet IR11 (tax treatment of interest paid), which you may have seen recommended in our columns from time to time.

Mutual wills in Scotland

My wife and I are resident in Scotland and our fixed property (a flat and small private garden) is here. It is registered and insured in my name. Our movable property is also insured in my name. Some of our stocks, shares, unit trusts and insurance bonds are in my name and some in our joint names. Our current bank accounts are both joint and our building society shares are in my name, and our National Savings are in our individual names.

Should any particular wording (such as "joint tenancy") relating to any or all of our assets be used in our joint will to assist in making matters simpler for the surviving spouse, who would inherit the lot?

No problems arise due to your property and other assets being held as set out in your letter. However, problems will arise if, as you indicate your wife and yourself enter into a joint will (known as a Mutual will in Scottish law). These have been productive of much difficulty and no solicitor would now advise clients to enter into one.

The difficulties are technical but basically turn on whether such a document is contractual i.e. whether having entered into it one party can alter the terms without the consent of the other. Again the same problem arises after the death of one spouse i.e. is the survivor entitled to alter the terms of the will as far as his own estate is concerned.

By far the best course is for your wife and yourself to make separate wills—leaving in each case the whole estate to the surviving spouse if that is what each of you wish. No Capital Transfer Tax is payable between spouses. The will should also appoint an executor to administrate the estate, which can be the surviving spouse if desired.

We might add that many problems have arisen in the past with "home-made wills" and the services of a solicitor would be well advised.

Negligible value claim

I was very interested to read your comments under "Premature claim to a loss" (September 26) in response to a letter concerning British Steel Constructions loan stock. Could you please amplify that in respect of the following:

1—If a holding of a stock has been accepted by the Inland Revenue as being of "negligible value" before the liquidation process is complete, can a shareholder apply for a part of his shareholding to be "deemed to have been sold and immediately reacquired" in accordance with section 22 (2) in one tax year, and then repeat the process for the remainder part of the holding in a subsequent year?

2—Your reply suggests that a claim must be submitted at such a time that the Inspector may be expected to reply and allow the claim in the tax year for which the tax loss is required; however, the Inland Revenue booklet C.G.T. 8 (1980) paragraph 230 states that "claims for relief will in practice be accepted if made within 2 years after the end of the tax year for which relief is sought."

Could you clarify the recommended procedure for ensuring that the losses be allowed for the tax year for which they are claimed?

1—If the stock was acquired after April 6, 1965, the answer is no (because of section 65 (2) of the Capital Gains Tax 1979).

If the stock (or some of it) was acquired before April 7, 1965, the answer is yes, unless:

(a) a relevant election has been (or will be) made under paragraph 4 (2) of schedule 5 to the CGT Act (or its predecessor, paragraph 1 (3) of schedule 11 to the Finance Act 1968); or

(b) the stock was unquoted (ie did not have a quoted-market value on any recognised stock exchange at any time in the period from April 7, 1959, to April 6, 1965, inclusive) and there was a relevant reorganisation before April 6, 1965, so that the stock is governed by paragraph 14 (1) of schedule 5 to the CGT Act.

2—Under the odd wording of section 22 (2), the loss is deemed to arise in the year in which the taxpayer's claim is allowed by the inspector. Although section 9 (5) prohibits the deduction of a loss from gains arising in any earlier year, the Inland Revenue extrastatutory concession (SP-D13) effectively permits a section 22 (2) loss to be carried back to the year in which the claim was made, or to the two years before that: but it is not possible to carry such a loss back beyond the year in which the value of the asset in question became negligible, of course.

Guaranteed income bonds

I was interested in your reply on guaranteed growth bonds (October 3).

In July and in November 1971 I took out 15 year single premium guaranteed growth bonds, in ignorance that the proceeds were liable to tax. Two queries, please:

(i) If under top-slicing relief in the year when proceeds are payable I am still in the 30 per cent tax zone, am I correct in thinking that no tax is payable on the bond proceeds?

(ii) If, however, under top-slicing relief I am driven into higher tax or investment income surcharge zones, could I get the proceeds of one of the bonds delayed until the following year?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

(i) Yes, provided that adding 1/15th of the bond gains to your other income would still leave you below the respective thresholds for higher-rate tax for 1986-87.

(ii) It all depends upon the conditions governing the bonds: if you are in doubt as to the meaning of the conditions, the best move would be to ask the Insurance company.

If you were born before April 6, 1922, the answer to your first question is not so simple. Under current legislation, you might face an effective tax charge at 20 per cent in respect of age-allowance clawback, which is not mitigated by top-slicing relief.

A guaranteed overdraft

Referring to your reply under "A Guaranteed Overdraft" (September 26) I assume that if the residence is not legally charged to the bank to support the undertaking to guarantee the company's overdraft the bank cannot enforce the guarantee by selling my share in the house. Am I correct?

The bank can have recourse to your share if there is a charge, whether legal or equitable, on the house. If not the bank would have to obtain a judgment against you on the guarantee and there get a charging order on your share of the house.

Rates and holiday accommodation

In 1974 I inherited my family's home on the death of my father, which after modernisation. I decided to let as self-catering holiday accommodation. The house consists of a dwelling house (which is the part let), garage and outbuildings which are not let. Letting takes place over about 15-20 weeks of the year.

Three years ago, the local authority informed me that in consequence of the lettings, the house no longer qualified for domestic rate relief and since it must have been my intention to let the property from the date of my father's death, I was required to repay domestic rate relief on the entire property (not only the part let) from the time I inherited the property. This entailed payment to the local authority of domestic rate relief in respect of the five years prior to the date of notice by the local authority.

In May 1981, I received a demand for £30 in respect of collection of "trade refuse from self-catering holiday accommodation." The letting is controlled from my main residence which is not the house concerned.

Could you advise me: 1, the legal basis of the local authority's demand for refund of domestic rate relief on self-catering holiday accommodation: 2, whether they are empowered to demand repayment of domestic rate relief for those years in which the house was in my ownership but not let: 3, the distinction between refuse from a "dwelling house" and a "dwelling house to which domestic rate relief does not apply": 4, the legal right of a local authority to charge such additional rates and for the collection of refuse from houses during the time they are unoccupied; 5, whether letting of dwelling houses can be classed as a "trade" and if so, whether the trade is carried on from the house which is let or from the house from whence bookings are accepted?

It is a question of fact when the property ceased to be used as a domestic residence. We think that this would not be earlier than the commencement of the alterations. Depending on the nature of the altered accommodation, it may be that the date of first letting can be applied. The refund would be apt for any period when relief was not properly available; and the claim for refund is thus far proper. Domestic rate relief only applies to a dwelling house which is occupied by a person who resides or is usually resident there. While the refund or relief would be appropriate even for an unlet property once it has ceased to qualify for relief, we think that a charge for collection of trade refuse is not appropriate for a period when no refuse at all was collected. It remains doubtful whether the refuse from self-catering holiday accommodation is trade refuse. Despite recent case law which strengthens the claim that it is, we think that it is not properly to be characterised as trade refuse; and we agree that it seems that no trade is carried on at the premises from which the refuse comes.

Charity begins at home

TAXATION

DAVID WAINMAN

THE PROFESSIONAL adviser would say "your charitable contribution now saves you tax at your marginal rate, whereas before April 6 this year it saved you only 30 per cent." The charity, soliciting the contribution concerned from that adviser's client might express it differently: "you can now give us £1,000 at a net cost to yourself of £250; that same gift would previously have cost £700."

Perhaps too seldom do either of them enquire whether they are making sense to the client: whether his generosity might be greater if he felt better informed not only about the concept that charities should be relieved from tax, but also the mechanics which turn it from theory to cash in his own bank account.

If yours is the potential generosity that is constrained only by your lack of comprehension, what follows may perhaps loosen your purse-strings. Or it may leave you gasping at the complexity in which the Revenue can enshroud what might have seemed a simple operation.

Payments to ex-wives would not seem to have any natural similarity to charitable gifts, but the Revenue have put both into the same sections of the tax legislation. We must therefore assume that the same two or three stage route to tax relief will apply for each.

The first of those steps is the familiar deduction of tax at source. Mr X, whether he is paying alimony (by Court Order or by agreement), to the former Mrs X, or is making a covenanted payment to a charity writes only £700 on his cheque for each £1,000 he is due to pay. His deed of covenant will usually have been so worded that he committed himself to pay "such a sum as shall after deduction of tax at the basic rate leave the clear annual amount of £700": the "sum" must therefore be £1,000, but his outgoings in cash is £700.

The charity thereafter reclaims the £300 from the Inspector of Taxes, in exactly the same way as the former Mrs X could do were she to set her "single parent's" deductions against the alimony. At the same time Mr X keeps the £300, which he has deducted, in his own pocket.

Deduction and retention is the process by which his adviser would assure Mr X that he was being given relief to the extent of 30 per cent. Mr X's earnings assessable to tax are not reduced, and nor is his liability on them—but he has in an indirect manner been enabled to "shift" £300 of that burden on to a charity's shoulders. And since that recipient is exempt, the Revenue promptly repay the tax concerned to it.

So far we have seen nothing new and nothing surprising, but Mr X has been relieved of tax only at the basic rate. He may be paying a much greater percentage on the top £1,000 of his income. The easiest way of illustrating how he will be given relief for the higher rates of tax and investment income surcharge is to assume that he has investment income only, the gross amount of this being £20,000.

His "taxed income" assessment, issued to collect the tax due on December 1 following the end of the year of assessment will show that he is due to pay as follows:

INCOME		TAX
£1,375	Single man's *deduction*	NIL
12,250	at 30 per cent	£3,675
2,000	at 40 per cent	800
3,500	at 45 per cent	1,575
925	at 50 per cent	462
£20,000		£6,712
Tax credits:		
£20,000	at 30 per cent	6,000
		£712
Investment Income surcharge		
£12,125	at 15 per cent	1,818
		£2,530

He will spot without too much difficulty that he has been allowed to deduct his £1,000 charitable payment, in addition to deducting the threshhold of £5,500 and his single man's allowance, in arriving at the income subject to the investment income surcharge. This gives 15 per cent relief from what is technically called "additional rate" tax.

It may, however, take him longer to recognise the cleverness of the trick played on him by the Revenue in giving his final 30 per cent rel[ief] to boost the basic rate relie[f] to the 60 per cent which i[s] "higher rate" at the marg[in].

What they have done [in] their jargon, to "broaden basic rate band," from £1[...] to £12,250. A mathemat[ician] would see instantly that with its consequent reduc[tion] in the level of income tax[ed at] his top rate, gives him the [...] due at the difference bet[ween] the rates concerned.

The Revenue would, how[ever,] have to work rather hard[er on] his behalf were his incom[e to] comprise £17,000 of ear[nings] and £3,000 of dividends. PAYE tables are not des[igned] to cope with broadened rate bands.

Logic and precedent [...] suggest that Mr X's coding in these circumstances [...] a deduction of £333. The [mar]ginal rate of tax on his [earn]ings is 45 per cent and taken off his income saves [...] of tax—which of course [...] the same effect as broad[ening] and narrowing the basic a[nd ...] per cent bands in the a[ssess]ment of his earnings.

Mr X's taxed income a[ssess]ment would then embody [the] balance of his relief, [the] difference between 60 per [cent] and 45 per cent) by m[oving] £1,000 more into the low[er of] those bands and less int[o the] higher than would have [been] the case had he not mad[e the] charitable covenant.

These explanations [have] necessarily been so simp[le and] straightforward and so [...] that they leave us scant [room] to mention three further [rele]vant points. First, £3,00[0 per] annum is the maximum le[vel of] covenanted charitable don[ation] which can be relieved a[t the] taxpayer's marginal rate.

Secondly, payments in 1982 and subsequent under pre-existing cove[nants] qualify for the treatme[nt as] well as those made unde[r new] covenants—and the mir[imum] duration for such new de[eds is] that they must last for a [period] in excess of three years.

And finally, only [those] actually paying tax o[n an] amount of income equal [to or] greater than their pay[ments] should make covenants. [Those] with smaller incomes still deduct tax at sour[ce but] are not entitled to retai[n the] tax deducted: this elim[inates] any possible benefit fror[m the] whole procedure.

Sainsbury's trolleys roll on

J. SAINSBURY'S remarkable profits success in the past 18 months is becoming almost something of an embarrassment to the City and grocery trade.

Experienced retail analysts have been repeatedly confounded by the size of the company's profits—much larger than forecast—while other High Street grocery chains have had a tough time explaining to their shareholders just why food retailing is so difficult at present for them but not, apparently, for Sainsbury.

This week Sainsbury again confounded the critics with interim pre-tax profits up by almost 38 per cent to reach £42.5m. This followed a 58 per cent profits surge at the half-way stage last year, which turned into a 43 per cent gain in the full year.

Tesco, Sainsbury's arch-rival, could only manage to produce virtually static profits in its last full-year results, after a slump at the interim stage. A fair measure of Sainsbury's current success will come later this month when Tesco announces its interim results. Capel-Cure Myers, one of the leading stockbrokers specialising in retailing, is probably not alone in the City in expecting Tesco's interims to be unchanged from last year's disappointing levels.

But it is not only in absolute profits that Sainsbury appears to be so far ahead of the game. Virtually everything the store chain touches turns to gold.

Last month, for example, it opened the first of 10 new stores coming on stream in the current financial half year. The store was in Leeds, the traditional home of the Asda chain and one of the northernmost stores in the predominantly southern-based Sainsbury structure. Asda itself is currently spending some £6m to back its push into the supposedly more lucrative markets in the South already dominated by Sainsbury and Tesco.

The opening week's trading at Sainsbury in Leeds produced the highest volume of trade in the first week ever recorded in any new Sainsbury store. The myth that Sainsbury is only a southern-based, middle-class type of store was effectively dispelled.

Sainsbury's staff have also benefited from the success they have helped to create. The immediate past half-year has effectively meant a distribution of £2.6m in cash or shares to staff under the company's profit sharing scheme.

Can such golden success continue? The grocery trade, like other sectors, tends to go in cycles.

Over four years ago when Tesco dropped Green Shield stamps and launched its price cutting "Operation Checkout," companies like Sainsbury, Fine Fare, and International Stores were left standing as Tesco pushed its market share ahead from 8 to 12 and now just under 14 per cent of the packaged grocery sector.

Sainsbury's, Lord's Hill, Southampton

Sainsbury and the others were relatively slow to respond to Tesco's initiative — which capitalised on consumer concern about prices after the scaring inflation of the mid-70s to launch an aggressive price war.

For the first year or so, it was all Tesco's rivals could do simply to stay in the same marketing arena. Sainsbury was seemingly slow to respond and even when it finally joined the war with its "Discount" campaign, its market growth was steady rather than spectacular.

Such steady growth is the hall-mark of Sainsbury, still a family company after 113 years. Its style of management is evolutionary rather than revolutionary; it prefers to take the long-term view that quality and consistency will pay off (as it has done) and has always given the impression (perhaps wrongly) that it is above the rough and tumble of the "pile it high, sell it cheap" image that sticks to Tesco.

But Tesco's market approach was blunted by the sharp rise in interest rates after the Conservatives came to power which substantially pushed up its cost of borrowing. Tesco had borrowed heavily to finance its superstores' investment programme: part of its strategy for growth during the 1980s.

Tesco was also badly affected by the slump in consumer spending as the recession began to bite, since it was heavily committed to sale of non-foods.

Sainsbury, on the other hand, had neither stretched its borrowings to pay for new stores nor committed itself to non-foods. (Its non-foods involvement has been through the joint SavaCentre operation with British Home Stores. Ironically, the City now believes that Sainsbury could make a bid for BHS, although this has been firmly denied by Sainsbury and remains unlikely.)

The result of Sainsbury's prudence has been its remarkable profits growth. Sainsbury has also benefitted from the consumer trend over the past few years towards more fresh foods—an area in which it has always been strong since the first John Sainsbury set up his dairy business in London's Drury Lane in 1869.

In fact, the Institu[te of] Grocery Distribution woul[d] suggest that "1981 may w[ell be] ascribed as the year in [which] 'food' returned to the g[rocery] trade." Even though [Sains]bury's prices are lower [than] many people would cre[dit, it] still has a reputation for [quality] and service rather than [price].

Yet the IGD says tha[t the] trade is "faced with what [must] seem to be the inevitable [pros]pect that price will rem[ain] the main weapon of comp[etition] within two years."

It believes that the tota[l mar]ket for food in the ne[xt few] years will, at best, show [a] marginal increase. "In f[act, if] incomes resume their u[pward] trend, rising emphasi[s on] catering (albeit from [take]aways) may result in a [n] overall fall in retail food [sales."]

Moreover, the IGD see[s] food returning to prominence among g[rocers] once the recession comes [to an] end, while it believes th[e] demand for fresh food [will] probably even out.

In addition, an incr[eased] number of new stores fr[om] the majors will come on [stream] in the next year or so, suggesting an even g[reater] potential for volume co[mpeti]tion through price.

All this suggests that [Sains]bury may not continue to [have] all its own way in the g[rocery] market in the next few [years.] But predictions about Sai[nsbury] have been proved so [wrong] before that the compan[y may] yet again confound us al[l.]

David Chur[...]

YOUR SAVINGS AND INVESTMENTS—1

Eric Short critically examines an insurance arbitration scheme

PIAS provides limited protection

THE LAUNCH earlier this year of the Insurance Ombudsman Bureau represented a revolutionary step in consumer protection for the insurance public. A member of the public, in dispute with his insurance companies over any aspect of his personal insurances could seek redress of his grievance with an independent authority without incurring any charges.

No longer did such a policyholder have to accept the decision of the insurance company or get involved in expensive litigation.

The Bureau was set up by three major insurance groups, General Accident, Guardian Royal Exchange and Royal Insurance. But the affairs of the IOB are run by a council on which the insurance companies have only a minority representation. The majority of members come from outside, with at least four being closely involved in consumer affairs, including the chairman of the board, Mrs Joan Macintosh, vice-chairman of the National Consumers Council.

It is the council which appoints the Ombudsman and the first and present holder of the position is Mr James Haswell, a solicitor with wide experience first in private practice and then with the Army Legal Service. He has a completely free hand in dealing with all complaints, with the council, not the bureau, setting up general policy decisions. The cost of the bureau is financed entirely by its member insurance companies.

But the reaction of most insurance companies has been either to criticise the Bureau on grounds of being too cumbersome and costly or to ignore it altogether. The consensus view has been that present systems are adequate with the number of complaints that cannot be resolved between policyholders and their insurance company numbering only a few thousand out of the millions of transactions that take place each year.

The invitation by the three founder companies to all insurance groups to join the IOB was taken up by six others prior to the launch and only two others since. The IOB has at present 11 member companies.

Some companies at the time of the launch stated that they would be looking at the IOB—and at alternative arbitration schemes that would fulfil a similar objective of providing independent settlement of disputes.

Those companies have now decided on an alternative system which was officially launched this week with the unofficial title of PIAS—Personal Insurances Arbitration Service.

This is based on a service operated by the Chartered Institute of Arbitrators for a number of trades and industries, a service which has the approval of the Office of Fair Trading. It is claimed that PIAS will meet the needs of the largest possible number of insurance companies in providing a simple and speedy (hence cheaper) procedure for resolving disputes over contracts. The scheme operates as follows:—

- The policyholder in dispute with his insurance company must first endeavour to get his grievance settled at the most senior level within the company. If this fails then PIAS is available to him provided his insurance company agrees. Similar considerations apply with the IOB.
- The arbitrators in the dispute will be appointed by the Institute and will operate completely independently of the insurance company. The arbitrator will determine the dispute in accordance with the terms of the contract and the Statements of Insurance Practice applicable to insurers. The service offered by the Institute is nationwide and the dispute would normally be settled on the basis of documentary evidence. The insurance company will make all relevant documents freely available to the arbitrator. But where appropriate the arbitrator will hold local hearings in the course of reaching a decision.
- The arbitrator's decision will be binding on the insurer and the policyholder, up to a certain limit, usually £25,000.

PIAS has been designed to deal with non-life personal insurances, such as motor, household, travel. It is far from clear how it will apply to life policies, though companies can include life business in PIAS. It is understood that the arbitrator will look at the policy document which forms the basis of the contract between the policyholder and the insurance company. Thus it would seem that the arbitrator cannot deal with surrender values or bonus rates, two major sources of complaint from the public.

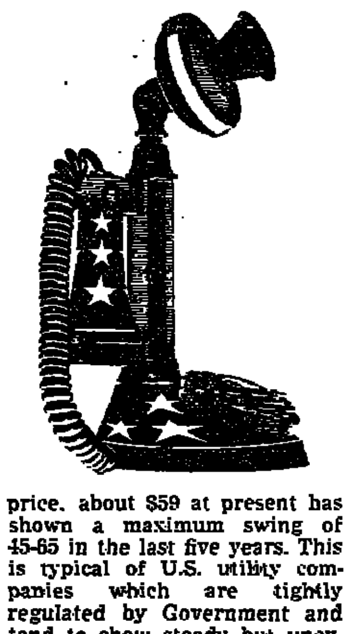
Thus one major difference between PIAS and the IOB is that with PIAS the policyholder does not have the automatic right to seek redress through an independent third party as with the IOB, since the company can withhold its agreement to arbitrate. But Mr Graham Lockwood, a general manager of Eagle Star, said that in practice approval would not be withheld if the grievance was genuine. In addition with PIAS, the policyholder in going to arbitration forfeits his right to seek redress in the Courts and can only further pursue his case in the Courts on a point of law or the technical misconduct of the arbitrator.

But PIAS appears to be more acceptable to insurance companies, especially the small ones. At present 28, composite and non-life companies, will operate PIAS, including Eagle Star, Sun Alliance, Co-operative Insurance Society and Cornhill Insurance (of cricket sponsorship fame). The companies will publicise the scheme with leaflets sent out with renewal notices and in the claims process.

The Life Offices Association and the Associated Scottish Life Offices have set up a working party to look at both the IOB and PIAS and report back. The British Insurance Association has done nothing since it set up a committee to look at the IOB before its formation, a report that was never published. Then at the time of the launch the BIA said it was up to each member company to decide whether to join. The PIAS now has come down off the fence if it is really concerned with consumer protection.

David Lascelles on the background to American Telephone and Telegraph's proposed London listing

Ma Bell's second coming



THE BIGGEST company in the world, yes bigger even than *Exxon and General Motors—will* be listed on the London Stock Exchange starting next January. But it is not exactly eye-catching hot stock.

American Telephone and Telegraph, the giant U.S. utility which controls 80 per cent of the U.S. telephone market, lodged its listing application last month as part of a drive to attract more European investor interest. Anyone who buys its shares will join a family of more than 3m shareholders, and own a slice of a company that employs over a million people and raked in $50bn in revenues last year. "Ma Bell" is what they affectionately call this Everest of the corporate world.

Actually this will be more of a comeback for Ma Bell than a first-time sally across the Atlantic. It used to be listed in London in the 1930s before the war and exchange controls made things difficult for foreign companies in the UK. But when the Thatcher Government abolished these controls a couple of years ago, AT and T became interested again. What clinched it was the enormous interest foreigners showed in a $1bn equity issue AT and T made on the New York Stock Exchange this summer, the largest ever seen in America.

"We never like to ignore whatever sources of capital are available to us, and that issue showed us that there is significant investor interest in AT and T abroad," Miss Virginia Dwyer, AT and T's vice-president and treasurer said. AT and T is already listed in Brussels, Paris, Amsterdam and Zurich, but London will give it far greater visibility.

Investing in AT and T is not going to make anyone very rich very quick, though. The share price, about $59 at present has shown a maximum swing of 45-65 in the last five years. This is typical of U.S. utility companies which are tightly regulated by Government and tend to show steady but unexciting earnings growth.

AT and T is for investors who want security and yield. The stock has paid a quarterly dividend for nearly 100 years, and yields about 8 per cent to 10 per cent at present.

"Our dividend policy is to try and give our shareholders a real yield," Miss Dwyer said, though she admitted that with inflation running at over 10 per cent, this has not always been possible. But this record makes AT and T the archetypal "safe share." Two thirds of the stock is in private as opposed to institutional hands, which is high even by U.S. standards. Many shareholders are retired people, the vast majority are women, and the typical AT and T shareholder has a small stake (138 shares) which he holds on to for more than 12 years. AT and T also has a dividend reinvestment plan which allows shareholders to buy more stock at a 5 per cent discount.

Anyone thinking of investing in AT and T should keep an eye on two things. One, of course, is the company's finances. Earnings seldom produce any surprises, but AT and T has a huge appetite for capital and it tries to keep a careful balance between debt and equity, which means it often comes to the stock market to sell more shares if the debt side gets too heavy.

The second is politics. The whole future of the U.S. telecommunications business has been thrown in the melting pot by Congressional moves to deregulate it—good and bad news for Ma Bell. The good news is that AT and T would be able to enter lucrative new markets like data processing and escape the regulatory straitjacket. The bad news is that other telephone companies will be allowed a crack at AT and T's decades-old monopoly of the telephone market.

"Deregulation is certainly going to make us a much harder company to understand than previously," Miss Dwyer admitted. But AT and T does not want to be an enigma. It has started inviting European stock analysts over to the U.S. to meet its top officers and tour its plants.

AT and T's move to London is a sign of the times though. Lots of U.S. corporations have begun to wake up to Europe's potential as a source of investment. Boeing, Union Carbide, Black and Decker, Rockwell International and Sun Oil are among the two dozen or so large U.S. companies that have sought London listings in the last couple of years.

Other companies have stepped up their investor relations activity in Europe to stir interest in their stock, particularly among institutions.

Investment trusts' reserves

DESPITE A poor year for investment trusts' income growth, shareholders can take some comfort from the prospect for dividends. An increasing number of investment trusts have been actively considering whether they would pay out uncovered dividends and several now say they favour this as a short-term measure.

Mr J. Boyd, chairman of London and Gartmore, in his statement this August said "preliminary indications for the current year suggest that the high cost of borrowings combined with the increased overseas orientation of the investment portfolio will lead to a fall in earnings during the current year. If this proves to be the case your board will be prepared to maintain the dividend by utilising part of the unappropriated revenue reserves."

The problem faced by investment trusts has its root cause in the lower growth rate in dividend payments by leading UK companies. This trend has been further exacerbated by many trusts switching funds abroad where the prospects for *long-term capital appreciation* may be good but income is depressed.

An analysis of the dividend payments by major UK companies sheds light on this problem. Stockbrokers Phillips and Drew say that dividends paid by the companies in the FT Actuaries All Share Index in respect of calendar year 1979 rose by 25 per cent. For the calendar year 1980 payments rose by only 3 per cent. The brokers predict a 7 per cent rise for the current year.

Mr Tony Watson, a director of Touche Remnant, said: "the subject of using revenue reserves is under active consideration particularly for dividend policies in 1982." He pointed out that the sum needed to pay the dividends was a relatively small proportion of reserves. In the past most trusts have not distributed all their income and for some these reserves are sizeable.

Over at Kleinwort Benson, the possibility of paying uncovered dividends is also *under the microscope.* In principle, Kleinwort says "no one here is against using reserves at least to maintain dividends but whether we might wish to dip into reserves to increase dividends is another matter altogether."

There are some problems facing investment trusts considering this option. First, the revenue reserves shown in trusts' balance sheets may consist of unfranked income in which case the trust would need to provide for ACT on any net dividend payment. Second, shareholders who are higher rate taxpayers are effectively being returned capital minus a *large lump of income tax.*

Wood, Mackenzie, the stockbrokers, have studied revenue reserves of 150 investment trusts. The brokers conclude "on conservative assumptions, 71 per cent of the trusts have more than a full year's net dividend available and 77 per cent could maintain their dividends from reserves for more than two years were earnings to fall 25 per cent and then remain flat." In addition the brokers say "92 per cent of trusts could increase their dividends by 10 per cent per annum compound were earnings to stay flat."

Clearly paying dividends out of capital reserves can be a useful short term expedient and may cushion shareholders. The advantage from the investment trusts' point of view is that management need not drastically alter its policy in search of short-term income, a move which could ultimately be in the shareholders' worst interest.

Wood, Mackenzie's analysis throws up no clear pattern among investment trusts as *they have widely varying* revenue reserves. The brokers pick out the Drayton, Gartmore, Martin Currie and Touche Remnant trusts as those with the most scope to pay uncovered dividends. Kleinwort Benson and Robert Fleming trusts, it says, have less scope in this direction.

Rosemary Burr

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	9.50	9.75	11.00	11.76 6 yrs. Sixty plus, 10.75 1 yr. high opt., 10.25-11.75 1-5 yrs. open bondshare
Aid to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 10.00 1 yr.
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75 1 mth. not. deposit
Bridgwater	9.50	9.75	11.25	11.75 5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 mths. not. and 10.75 on balances of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 10.75 3 mths.' notice
Cardiff	9.50	10.50	11.50	—
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	11.75 5 yrs., 11.15 1 yr., 10.75 3 mths.
Cheltenham and Gloucester	9.50	9.75	11.00	—
Citizens Regency	—	10.00	11.25	12.00 5 yr., 11.05 3 mths +, 11.30 6 mths.' not. a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.00	11.25 4 yrs., 11.00 3 yrs., 10.75 3 mths.
Coventry Provident	9.50	9.75	11.00	10.75 E.I. a/c £500 min. 11.00 £5,000+
Derbyshire	9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	8.25	9.00	—	9.65 2 years. £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	— 3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.25 4 yrs., 11.00 3 yrs., 10.75 2 yrs.
Hendon	10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Huddersfield and Bradford	9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs.
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35 1 year
Leeds Permanent	9.50	9.75	11.00	10.50 E.I. a/c £500 min., 10.75 £5,000+
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.20	10.70	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' not. min. dep. £500, 6 mth. 11.15 min. dep. £500, 12.25 at 9 mths.' not. min. dep. £2,000
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' not. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' not.
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths.' not. or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	8.00	9.00	10.50	10.00 Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00 2 y, 10.50 3 y, 11.00 4 y, 9.75 Bns.
Portman	9.50	9.75	11.25	11.75 5 yrs., 11.00 6 mth. not. 10.75 3 mth. not.
Portsmouth	9.85	10.05	11.55	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	9.50	9.75	11.00	10.85-11.00 28 days' int. penalty
Sussex County	9.75	10.00	13.25	11.00 instant withdrawal option
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdl. 28 dys.' int. loss
Walthamstow	‡9.50	10.00	11.00	11.00 6 mths. not. min. £500, 10.73 3 mths.' not.
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs., £500 min. 90 dys.' not. on amt. wdn., 10.75 £500 3 mth. not.

* Rates normally variable in line with changes in ordinary share rates.

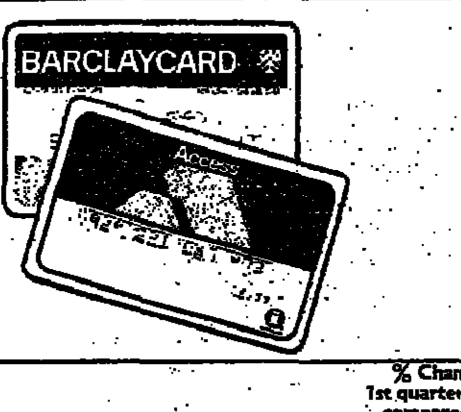
‡ Rates applicable as from December 1 1981.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

YOUR SAVINGS AND INVESTMENTS-2

Rosemary Burr looks at how to get free credit

Playing your cards right



Card	Market share	% Change 1st quarter 1981 compared to 1st quarter 1980
Trustcard	11.4	−11.8
Access	43.8	+7.4
Barclaycard	44.8	−2.5
Total	100	+3.1

Source: Target Group Index

ALTHOUGH INTEREST rates are high. 12m people have the key to free credit in their wallets. By using credit cards, instead of cheques or cash, people can get up to seven weeks free credit if they carefully time their purchases.

Credit cards have been relatively slow to catch on in the UK and only about 3 per cent of consumer expenditure is charged on a credit card. Even so one in five adults has at least one card and the average cardholder has two. In the U.S. where credit cards are more popular, the average is eight cards.

Much of the suspicion surrounding credit cards centres on the fear of building up runaway bills. In fact, all companies *impose credit limits on* their customers to avoid this and there are safeguards to protect the card holder in case of loss or theft.

Credit cards can be very handy if used as a means of payment. They are cheaper and more convenient than cheques and safer to carry around than wadges of cash. In addition, credit cards may be accepted around the world.

So how does a credit card work? A card holder will use his card to settle bills during the month. At the end of that month, the holder is sent a statement detailing *his* transactions and asked to pay the account in full within 25 days. If he does so, no interest is charged and depending on the timing of the purchase a card holder will have got between four and seven weeks' free credit.

It sounds amazingly simple and in fact credit cards are very *easy to use. There are three* main limitations. First, not all bills can be settled with a card. Second, each card holder has a credit ceiling limiting the amount of money owed at any time. This can be raised for special occasions such as an overseas trip after talks with the credit card company. Third, some companies such as garage owners may charge people more for using a credit card than paying by cash. This so-called dual-pricing is so far relatively rare and credit card companies may consider retaliating by removing companies from their list if this practice flourishes.

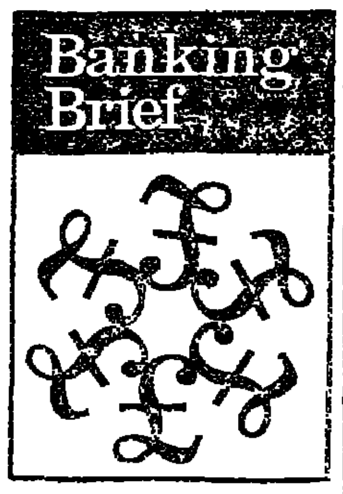
Credit limits vary from individual to individual according to their financial status and payment record. The range is usually between £200 and £5,000 and it is always worth asking the credit card company to raise your limit.

There are about 12m credit cards issued by banks in circulation. Barclaycard leads the field with 5.7m, followed by Access with about 5.1m and Trustcard, launched in 1978, brings up the rear with 1.5m holders.

Holders who use their cards as a means of getting extended *credit would be better off seeing* their bank manager and negotiating an overdraft. If a card holder fails to settle his account in full within the 25 day period, he is charged 30.6 per cent annually at the present rate. In contrast, by approaching his bank manager, an overdraft may be obtained at between 3 *per cent and five per cent above* base rate, i.e., 18.5 per cent to 20.5 per cent.

Credit cards can also be used to get cash but this is rather expensive and is best kept for emergencies. Access holders are charged interest on cash withdrawals from the date the money is handed over, so it makes sense to pay this off as soon as possible without waiting for a monthly statement.

Barclaycard and Trustcard holders, in contrast, are charged *a 1½ per cent cash handling* charge. With Access holders being charged the equivalent of 2.25 per cent per month in most cases, depending on the timing of the withdrawal, Barclaycard and Trustcards are cheaper means of getting cash.



Good and bad news about rises in rates

BY ROBIN PAULEY

MANY ratepayers who groaned under the wieght of exceptionally large rate bills this year, *especially those in London who* have also had to pay large supplementary rates, may get a pleasant surprise in the spring. They might get much smaller bills than they have become accustomed to expect. But the good news could be followed by the bad.

Before racing out to buy the champagne or book a more expensive holiday they would be well advised to pause and take a *deep breath—until July, in fact,* when a good number of supplementary rates are likely to be going out provided councils have gained permission for them in referendum.

The first rate bill might be *smaller because the* Government is introducing legislation to limit the amount a council can raise from the ratepayers at the first rate call.

But the relief will be short lived because the supplementary bill, if allowed by the electorate, will be levied on a basis which swings more of the burden on to the domestic ratepayers to give the non-domestic ratepayers some relief.

In London, ratepayers face a busy and possibly expensive time. They will get their first rate bills in April, will vote in the London borough elections in May, will vote in any borough or GLC referendums in June, and pay borough and/or GLC *supplementary rates in July.*

Outside London it will be less hectic as there are no second tier county elections. But apart from that ratepayers in some urban areas are likely to be facing the same string of rate bills.

As the Government is continuing with its plans to rein back council spending as tightly as possible by reducing the grant allocations of the overspenders, more and more of the higher levels of spending will fall on the shoulders of the ratepayers. In addition the Government is certain to reduce again the overall percentage of council current expenditure which it funds through grant, leaving the ratepayers with yet another extra burden.

This all adds up to the likelihood next year of rate bills rising by more than the rate of inflation once all the stages of levying the rates have been passed.

The average domestic rate bill in England and Wales increased by £37.90 or 19.4 per cent this year, taking it from £194.89 to £232.78. But this hides the regional variations: in the south west bills went up by only 9.6 per cent to £198.94, but at the other end of the scale in London the average bill went up by 32.9 per cent to £351.75.

And in inner London the situation was even worse with Camden's average domestic rate bill, the highest in the country, climbing to £577.79, closely followed by Kensington and sea which had a 52.6 per rise taking its average bi £565.38. In addition, all Lo ratepayers have had a su mentary rate from the Gr London Council.

The size of these rates and the large amount of now required to meet ev fairly modest percentage crease has *turned* dor rates into a major pol problem for the Conserv Government. A green pap due this month on alterna to the domestic rates but if legislation is introduced year there *is little likeliho* a spring without a rate bi fore 1984 at the very earli

In the meantime the bill: inevitably get bigger with Londoners passing the £ mark which arouses instant and dominates all convers.

The place to be is cl Ogwr, in Mid Glamorgan, this year's average dor rate payment rose by 2: cent to £88.73.

Michael Heseltine (left) whose supplementary rate bill this autur was estimated at £307 and his arch adversary Ken Livingstc

Wooing the expatriate

SCHRODERS IS attempting to win a share of the lucrative expatriate market. This week it launched two new Guernsey based companies, Schroder Life Assurance International and Schroder Unit Trust Managers International.

Mr William Ogier, managing director of the two companies, formerly with the Slater Walker group, explained the move. "We are the first really top name to get down to providing services for the expatriate." He admitted that, "In theory everyone of our products is matched by something somebody else does."

The products on offer are a single premium plan and a ten-year-plan regular premium contract. Investment in the new schemes may be linked to any of the five new funds being *launched by the unit trust com*pany. A pensions policy may be added later and more funds will be set up to give investors a greater choice.

The aim of the funds is to get *the best return rather than to* concentrate on either income or capital growth. The funds are Sterling Equity, Dollar Equity, Dollar Fixed Interest, Sterling Fixed Interest and Managed Currency Fund. The last two funds are incorporated as open-ended investment companies and Schroders plans to seek Stock Exchange listings for both of them some time next year.

Currency funds have been growing rapidly since they were first launched about 18 months ago. Schroders' fund is similar to the others on the market although as it stresses the aim of maximising total return, the split between income and capital appreciation or depreciation may fluctuate more widely than some funds.

The minimum investment is £500 and the estimated initial annual yield on the offer price of £5 per participating share is 8 per cent. The managers initial charge will be 23p per share. The management fee is 1 per cent per annum calculated on the basis of the fund's net asset value.

Rosemary Burr

Bonanza for C and W winners

INVESTMENT
CHRISTINE MOIR

THE AMOUNT of money subscribed by the public last week for half of Cable and Wireless—£1.25bn—tends to obscure an equally enormous figure, the number of individual applications.

National Westminster Bank, which was managing the issue for Kleinwort Benson, the Government's adviser, had 337,000 forms to process between 10 am on Friday October 30 and last Thursday morning, so that dealings could start in the shares yesterday morning.

It is a mammoth clerical task. The more money is subscribed for an issue, the faster the managers must work to clear the application cheques so that the money is in proper circulation and not in limbo. Investors complain bitterly if they believe a manager is holding on to their money a minute longer than necessary.

The pressure intensifies when an issue is oversubscribed as heavily as that by Cable and Wireless. Nearly six times as much money was volunteered as there were shares for sale. A lot of applications, therefore, were bound to be unsuccessful and unlucky applicants want their money back without a moment's delay.

However, the clerical task also increases if investors believe there may be oversubscription. In those circumstances they may double or even treble their applications in the hope of increasing their chances in a ballot.

These days there is also a tendency to split applications into the lowest multiples allowed, because the authorities tend to favour small investors at the expense of the big institutions. So it proved with Cable and Wireless where applicants for under 1,000 shares, on average, received 30 per cent of what they applied for, compared with the 13 per cent for applicants for more than 5m shares.

This gives rise to one of the biggest headaches for the managers to an issue. Making multiple applications is not illegal, or even ruled out in the prospectus for an issue. But there is a warning tucked away in the pages of most prospectuses: the managers reserve the right to reject applications which they believe to be multiples. In the Cable and Wireless issue, several thousand such application were weeded out.

However, many more slipped through the net. With over 300,000 pieces of paper before them, coming in by the sackful all week and in their thousands over the counter on Friday morning, the 30 staff employed by National Westminster were able only to pick up the most obvious multiple applications, and then only if an investor put in more than 1,000 or so *applications — a not uncomon* event.

The two most commonly pick-up clues are obvious sequences of nominee account numbers, or different names with common forwarding addresses or bank account numbers.

The complications of a popular issue do not end there, however. The City has a well-tried, smoothly-oiled mechanism for coping with an issue of this size, but a minimum of a wekeend and three more full workings days are needed for the task of checking, scalin gdown, addressing letters of allocation, writing new cheques to cover the difference between the application and the allocation, and returning unsuccessful cheques.

Normal practice is that large cheques are cashed immediately and new cheques issued to replace them if the application is unsuccessful. Small cheques are left uncashed and merely returned if unsuccessful.

That process takes the manageres through to Thursday morning. And there is pressure for dealngs to start the next day so that investors are not "out of their money" over another weekend.

Thes days, however, although the Post Office co-operates closely with the mbnagers by *supplying special collection* vans, it is still a gamble whether letters of allocation posted on a Thursday will reach the investor before the market opens on Friday.

And without a letter of allot*ment it is downright foolhardy* to sell the shares on the Friday morning. In the Cable and Wireless issue only three in every 10 small investors were successful in the ballot.

To have sold in the market yesterday at 200p in the belief of a 32p share profit and then to have found that you had no shares to sell, would mean buying in the market on Monday at the prevailing price to honour the bargain.

No wonder the professionals were telling each other yesterday that the real first trading day will be Monday. Only those who had had a visit from the postman on Friday morning could dare trade that day.

Tax block to shares reform

VITAL consultations on chang*ing the tax law to make it* worthwhile for companies to buy their own shares are underway. Without some change the new law, now on the statute book, will be a dead letter.

Between now and the end of February when the law is expected to come into force the Inland Revenue has to come up with a formula that will ensure the principle behind the idea of companies buying their own shares is safely enshrined in a *set of tax rules.*

The Chancellor of the Exchequer, Sir Geoffrey Howe, was clearly aware of these problems. In introducing his measures designed to help small firms in this year's budget he said. "... the government will shortly introduce new clauses ... to enable companies to purchase their own shares. Corresponding changes are needed in the present tax structure to help with a number of problems arising in small and family businesses."

The tax position is vital for investors as it will mean the difference between paying income tax on the value realised by their shares and paying capital gains tax on any profit they *may have made from* the transaction. The general rule for tax is that when a company distributes profits to a shareholder, normally in the form of dividends, then the company is subject to advance corporation tax and the investor's dividend payment is treated as income with a tax credit attached. In contrast, when shareholders sell their shares they are liable to capital gains tax on any profit.

As income tax may rise as high as 75 per cent the current tax position would virtually rule *the transaction out of court* for higher rate tax payers as well as generally dampening the enthusiasm of the investment community.

The idea of applying capital gains tax, limited to 30 per cent, has obvious appeal for investors. But the Inland Revenue, which gets about £500m from tax on dividends, is unwilling to change the tax assessment across the board as this would open up a loophole to avoid tax on corporate profits.

The Inland Revenue has therefore put out a consultative document and invited comments by November 20. A delicate balancing act is needed which will weigh the needs of companies against the concerns of the *revenue. Unless this is achieved* the effect of the new law allowing companies to buy their own shares will be negligible.

The Inland Revenue is clearly unsure of the best method of tackling this issue. It has suggested five instances *where it* may be appropriate to reduce tax to 30 per cent in order to help companies "manage their affairs more flexibly and efficiently."

They are:—

- *Unquoted companies which* may have difficulty in attracting equity investment since there is no ready market in their shares;
- Reluctant entrepreneurs who are unwilling to seek outside equity may be persuaded to do so if they can buy their shares back at a later date;
- Buying out dissident shareholders;
- To avoid management control changing hands after the death or retirement of a major shareholder in a *family* firm when the family has insufficient funds to buy out his shares.
- To avoid disruption when a shareholder dies and the shares need to be sold to meet capital transfer tax liabilities.

Generally speaking the investment community has welcomed the new law. Mr Jeremy Sturges, secretary of the Association of Investment Trusts, said "We believe that the tax treatment of these purchases is vital to the extent that the facility can or will be used. Unless the purchases by a company are treated as capital transactions and not distributions as present, few companies will make use of this new freedom."

Mr Sturges added, "as shareholders in other companies we like the idea of companies in which we are invested returning *sums to investors in this way.*" Over in the unit trust corner, Mr Mark St Giles, said "its hard to see how it will work in practice but in principle the idea of a company buying back its own shares is perfectly sensible."

Rosemary Burr

PROPERTY

The divided charms of Aphrodite's isle

BY JUNE FIELD

Voluptaries of the sun and sea; holding on by simple animal tenacity through tempests which have wrecked the nobler races of mankind.
— W. Hepworth Dixon, *British Cyprus, 1887.*

I HAD A silk shirt tailored in a day, bought honey fresh from the hives by the roadside, and ate one of many mammoth Greek meals on a terrace in the sunny mountainside, starting with *meze* (14 different appetisers), going on to suckling pig and *kleftiko*, lamb cooked in a sealed clay pot in the oven in the garden, plucking the grapes from the vine overhead for dessert.

This was the prelude to a property tour on Cyprus last week, third largest island in the Mediterranean: 3,572 square miles, with its temples to Apollo and to Aphrodite, to whom Paris gave the Golden Apples of Discord which contained the seeds of war with Troy. And while there is peace in this beautiful but divided island of ancient monuments, castles and monasteries, there are nevertheless reminders of the 1974 invasion by Turkey which put 40 per cent of the territory under its control.

I drove half-way down Drakos Avenue in the capital, Nicosia, but could go no further without permission, because a guarded check-point bars the way before the Ledra Palace, now a UN HQ. On the outskirts of the tow are special blocks of houses for refugees unable to go back to their homes in the Turkish-Cypriot areas.

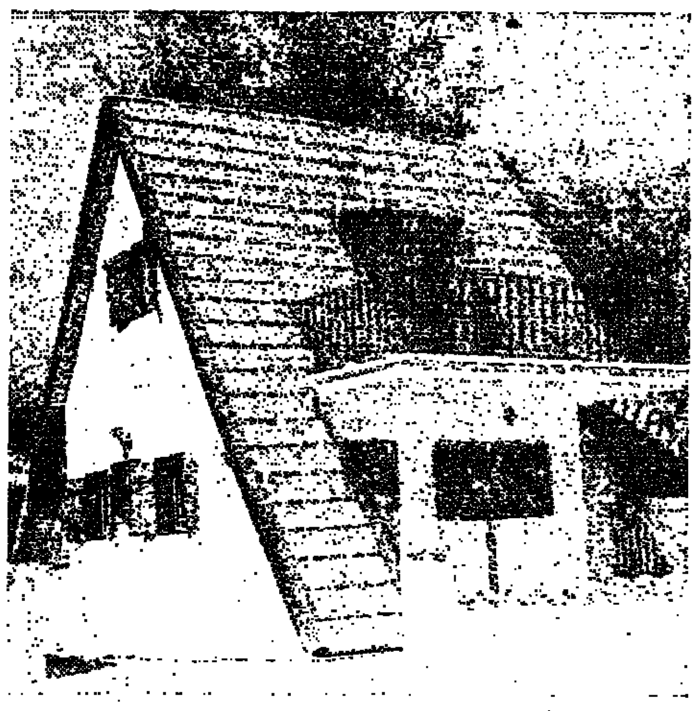
These are a few of the basic facts to be accepted by those thinking of buying a holiday or retirement home in Cyprus. And with the remarkable recovery in the economy of the Government-controlled part of the island (unemployment is virtually nil) Dr Takavos Aristidou, director-general of the Planning Bureau, told me that *selective investment in property and industry by outsiders is acceptable.*

Among the agents promoting Cyprus in Britain is Cypro-Estates, started fairly recently by Mr Antonakis (Tony) Erotokritou, who has lived here since 1962 and is a former manager of the Bank of Cyprus (London) Harringay branch. The sales director is Captain Edward (Ted) Starke, who moves out to the island next year when his house is built. So far, the agency has only had one small promotion over here, and were "astounded by the response, both from people who already know the island, as well as those attracted by the sound of it, with its sunny climate and *low cost of living,*" says Mr Erotokritou. He also points out that they drive on the left in Cyprus, that almost everyone speaks English, and that the British Sovereign Bases are still there.

Probably the least exciting visually are the apartment blocks in Limassol and Larnaca, just back from the sea, but the quality and finish inside is particularly good, and so are the prices, from about £9,500 for a studio, to around £15,000 to £25,000 for larger units. Towards the Troodos Mountains you can buy village houses in the rough for about £10,000, which could mean nearly as much again to renovate. Or in the area of Saittas ("Millionaires Row" they call it), you could have a villa with a swimming pool built for around £50,000: while at Phasuri on the outskirts of a grapefruit farm I visited, there are a few plots of a *donum* (about a third of an acre), where small houses can be built for about £25,000 complete with some of the citrus crop and lush vegetation.

Cypro-Estates represent some 14 developers, including Omiros, Araouzas Tourist Enterprises in Limassol, Constanrinou Brothers in Phapos, and Cybarco in Nicosia, who are involved in an ambitious project, the Aphrodite Resort Development above Aphrodite's Rock. Villas, apartments, hotels and time-sharing are due to get under way next year.

For a property portfolio including information on the formalities of buying, plus how to go on a week's viewing trip including flight by Cyprus Airways and accommodation for about £190, refundable if you buy, contact Mr Erotokritou, Cypro-Estates, 447 Green Lanes, Harringay, London N4 (01-341 3838).



You can build to your own design in the Troodos Mountains to the north of Limassol in Cyprus. A similar small two-bedroom house like this with novel alpine-style roof could cost from about £25,000 depending on the amount of land required. Details Tony Eritokritou, Cypro-Estates, 447 Green Lanes, Harringay, London, N4 (01-341 3838). Photograph Trevor Kenyon.

RACING

DOMINIC WIGAN

KARADAR, the winner of four consecutive races since the beginning of August, will set off a short-priced favourite in today's November Handicap to crown a memorable campaign.

An ever-improving colt, who got off the mark with a half length maiden stakes victory over Regain at Brighton, Karadar's remarkable progress can be guaged from the fact that less than two months after that success he proved far too good for Hot Fire in York's £4,000 Aske Handicap.

Karadar, who was conceding the runner-up 20 lb when notching that success on the Knavesmire, has been set to carry 8 st 8 lb this afternoon and will be ridden by stable jockey, Walter Swinburn, whomay, it seems, have been persuaded by his close friend, Steve Cauthen, to ride on America's West Coast over the coming few months.

Two other William Hill November Handicap prospects worthy of attention are the Wragg filly On Show and another Newmarket representative in the bottom weight, Sulzano. On Show, whose odds have tumbled from 40-1 to yesterday's top, quoted 10-1 since she romped home in a maiden at Nottingham last week, is certainly bred for today's searching mile and a half test. She is by Welsh Pageant who gets plenty of staying individuals, out of the Park Hill winner, African Dancer. Furthermore in Bryn Crossley she will be ridden by the country's most sought-after 5 lb claiming apprentice.

Sulzano, making only his third appearance since Chester Cup day on the Roodeye, looked capable of springing a surprise in a competitive handicap at Leicester seven weeks ago until being worn down near home. He, too, has a sought-after lightweight on board in John Lowe. Sulzano is trained by Hastings-Bass who teamed up with Taffy Thomas to land this race a few years back and a market move will be of significance.

For the closing event of the 1981 season, the aptly named Last Post Handicap, Shademah should again prove that she remains a step ahead of the handicapper.

DONCASTER
1.30—Oscar Wilde
2.00—Stracker
2.30—On Show***
3.00—Susanna
4.00—Shademah**

CHEPSTOW
1.30—Oscar Widle Wilde
2.00—General Election
2.30—King Hustler
3.30—Veramente*

BRIDGE

E. P. C. COTTER

A NEW BOOK which I can confidently recommend is Play Safe—and Win (Gollancz, £5.95) by Eric Jannersten and Jan Wohlin, the Swedish internationals. Safety play is the hallmark of the expert, whose aim at rubber bridge or team play is to make sure of his contract. At pairs the method of scoring compels one to abandon safety except in special circumstances; and play for all-important overtricks.

We look first at our old friend Elimination:

N
♠ A 10 4 2
♥ A Q J 7
♦ 6 3
♣ 7 4 2

W
♠ Q J 9 8
♥ 2
♦ Q 9 7 4
♣ K 10 8 6

E
♠ K 7 5
♥ 9 5
♦ K 10 8 5 2
♣ J 9 3

S
♠ 6 3
♥ K 10 8 6 4 3
♦ A J
♣ A Q 5

With neither side vulnerable, South dealt and bid one heart, and jumped to four hearts after a double raise from his partner. West's opening lead was the spade Queen.

Winning with dummy's Ace, the declarer drew two rounds of trumps with Ace and Queen, then led a diamond, finessing his Knave. The Queen won, and West returned the eight of spades to his partner's King. East switched to a club, South tried the Queen, but the King won. A diamond was led back, and the declarer could not avoid the loss of another club, to go one down.

On seeing dummy, an expert would have said: "Can I avoid the club finesse? Yes, I can—by elimination." To start the elimination he allows the spade Queen to hold, wins the spade continuation with the Ace, and leads a diamond finessing the Knave. West takes with the Queen, and leads a trump which is won on the table. The four of spades is now ruffed high in hand, the diamond Ace is cashed, and a second heart to dummy draws the trumps. The ten of spades is returned, on which South discards the five of clubs.

West wins, and must lead a club or a diamond. Whichever he does gives the tenth trick—a club runs into South's tenace, a diamond gives a ruff discard.

Let us study The Small Details:

N
♠ —
♥ Q 9 7 6 4
♦ A K 10 3
♣ 6 4 3 2

W
♠ 7 5 4 3
♥ K 10 8 5 3 2
♦ 9 6
♣ Q

E
♠ 8 2
♥ A J
♦ Q J 8 5 4
♣ A J 10 9

S
♠ A K Q J 10 9 6
♥ —
♦ 7 2
♣ K 8 7 5

East, the dealer at game all, bid one diamond, and South's four spades concluded the auction. West led the club Queen, East won with the Ace, returning the nine. South covered, and West ruffed. Ruffing the heart return, South played all his trumps, but East was in no difficulty, and the contract failed.

Greater attention to detail saves the day. At first sight it appears that it makes no difference whether South covers the first or second club return. By covering the first, if West has led from a doubleton, he avoids a ruff altogether. True, but if he withholds his King for one round, he protects himself against a 4-1 break in the suit, because by losing an extra trick before the ruff, he has rectified the count for a squeeze. Now when he plays off his last spade, East who holds Queen, Knave, eight of diamonds and a club honour, has no good discard, and is forced to set up the declarer's club or dummy's ten of diamonds for the tenth trick.

Would you have thought of that?

CHESS

LEONARD BARDEN

WHILE KORCHNOI'S losing struggle against Karpov has been chronicled all over the world, there has been little interest outside the USSR in another title match played at the same time. It finished at Tbilisi last weekend when Maia Chiburdanidze, 20, beat Nana Alexandria, 32, for the world women's championship. Their series was tied 8-8 but under the rules Chiburdanidze stays champion.

Only a handful of women have ever made a reasonable showing in mixed tournaments against Master strength men, but in this context of generally lower standards there are two unexplained mysteries. One is the rare talent of girls from a small Soviet Caucasian republic: the top four women in the world, including last week's finalists, are all Georgians. Georgian men players have never made the same impact.

The other curiosity is that the best women show a higher standard of chess in mixed events than in women's tournaments. Chiburdanidze herself last year reached the USSR First League (the tournament immediately below the men's final) and has won or drawn games in fine style against such eminent grandmasters as Bronstein, Suetin, Taimanov and Tukmakov.

Her predecessor Nona Gaprindashvili even won the famous Lone Pine tournament in California, qualifying for a men's GM norm. But Chiburdanidze's title matches against Nona and Alexandria have been of much lower quality: we have seen the same phenomenon here where the competitors in the Lloyds Bank Lady Masters, incorporated in the main men's event, have often performed well above expectations.

The lack of world interest in the women's game, dominated so effectively by the Georgians, sounds a warning note for the prospects for men's chess if—as could well happen—it again becomes an internal Soviet preserve in the next few years with Kasparov or Belyavsky as Karpov's next challenger.

The match result was really a moral victory for Alexandria who on form was clearly the underdog. This is the final game which enabled her to square the series.

White: N. Alexandria. Black: M. Chiburdanidze.
Queen's Indian Defence (16th match game 1981).

1 P-Q4, P-K3; 2 P-QB4, N-KB3; 3 N-KB3, P-QN3; 4 P-KN3, B-R3; 5 QN-Q2, B-N5; 6 Q-N3, Q-K2; 7 B-N2, B-N2; 8 0-0, BxN; 9 BxB, 0-0; 10 QR-Q1, P-Q3; 11 B-B1, QN-Q2; 12 Q-R3.

White has an edge from the opening with her two bishops, and now sets up a long-distance pin.

12 . . . P-B4; 13 KR-K1, KR-B1.

Artificial, since White can immediately prevent a possible open QB file. B-K5 looks like the right way to stop White's central advance.

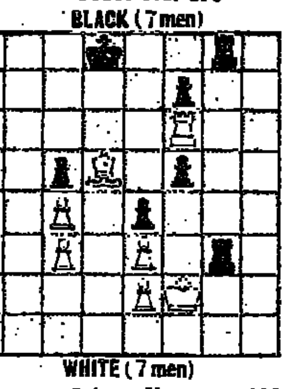
14 P-Q5! PxP; 15 N-R4, Q-K3; 16 PxP, BxP; 17 P-K4! BxRP; 18 N-B5.

An imaginative double pawn sacrifice has opened up the centre and put the world champion under heavy pressure. Probably Black now expected to defend by N-K1, but then 19 B-R3 with concealed threats to the black queen or of N-K7 ch.

18 . . . R-K1; 19 NxQP, R-K2; 20 P-K5 (attacking two pieces), R-KB1; 21 PxN, QxR ch; 22 RxQ, RxR ch; 23 B-B1, B-K3 (trying for B-KR6); 24 Q-QB3, N-K4; 25 K-N2 (not 25 QxR? N-B6 ch), B-Q4 ch; 26 P-B3, NxP; 27 K-B2, R-K3; 28 PxP, R-Q1; 29 N-B5, N-K4; 30 P-R3, B-K5; 31 N-R6 ch, KxP; 32 N-N4, P-B3; 33 NxN, RxN; 34 B-KB4, R-K2; 35 B-B4, R-Q8; 36 P-KN4, K-N3; 37 P-R4, P-KR4; 38 PxP ch, K-B4 (if KxP; 39 BK2 ch); 39 B-KR2, Resigns. The threat Q-KR3 mate is decisive.

POSITION No. 396

BLACK (7 men)

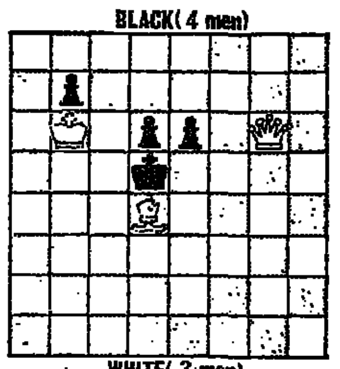


WHITE (7 men)

Perez v. Ivkov, Havana, 1962. Black (to play) made one move, and his opponent resigned. What was Black's best move, and why did White give up?

PROBLEM No. 396

BLACK (4 men)



WHITE (3 men)

White mates in three moves, against any defence (by A. Bayersdorfer, 1887).

Solutions Page 14

COMPANY NOTICE

GOLD FIELDS GROUP
GOLD FIELDS OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)
DECLARATION OF FIRST INTERIM DIVIDEND

A First Interim Dividend No. 67 of 15 cents per share in respect of the year ending 30 June 1982 has been declared in South African currency, payable to members registered at the close of business on 20 November 1981.

Warrants will be posted on or about 29 December, 1981.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London offices of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 20 November 1981 in accordance with the abovementioned conditions.

The Register of Members will be closed from 21 to 27 November 1981, inclusive.

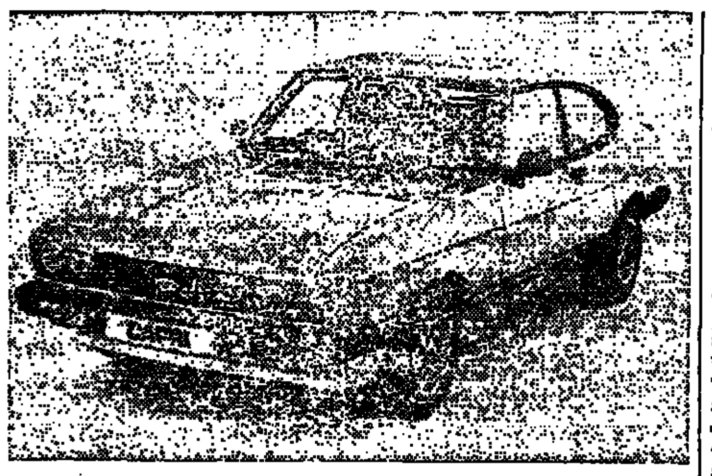
NOTE—It is expected that a Second Interim Dividend in respect of the year ending 30 June 1982 will be declared in February 1982. The aggregate of the two interim dividends is likely to be the same as for the previous year at 160 cents per share.

London Office:
49 Moorgate,
London EC2R 6BQ.
United Kingdom Registrar:
Close Registrars Limited,
803 High Road,
Leyton,
London E10 7AA.

By Order of the Board
C. E. WENNER
London Secretary

6 November 1981.

LEISURE



As cars go, the 12-year-old Capri is decidedly long in the tooth but the latest 2.8 litre version, with fuel injected V6 engine, is a vigorous, not to mention high value, package. At £7,995 this 130 mph sporting coupé is Ford's fastest production car and it's much cheaper than any obvious rival. The ride is harsh at low speeds on the ultra low profile Goodyears but the Capri handles beautifully, hard driven, and power steering makes it agreeably easy to park. The four-speed gearbox is delightful; 4,000 rpm gives a relaxed 85 mph and the engine is still smooth at maximum speed, just into the red at 6,100 rpm

Tyres and fuel economy

MOTORING

STUART MARSHALL

HEADING THE latest assault in the war against fuel waste are the tyre makers. Tyres use up a lot of petrol. At 40 mph, their drag absorbs one-third of the engine power of the average car. Even at 80 mph, when 70 per cent of the power is being used to push the air aside, tyre drag still swallows up 20 per cent.

Obviously, anything that can make a tyre roll more easily on the road must save fuel. Tyres consume power because they are constantly flexing as they revolve. This creates heat, which is energy going to waste.

As every pushbike rider knows, blowing a tyre up harder saves energy. But a hard tyre would ruin a car's ride comfort and handling. It is worth remembering, however, that most motorists habitually drive on under-inflated tyres. Just keeping them at the correct pressures would cancel out the effect of the next 3p-4p a gallon petrol price rise.

The tyre companies are falling over themselves to produce low rolling resistance tyres that produce significant fuel savings without making the car less pleasant to drive or ride in. At the moment, Pirelli are in the lead. Their P8 low rolling resistance tyre is widely used by mainland European car makers like Fiat, Alfa Romeo and Saab and is now becoming available here.

It is not easy to lower a tyre's energy consumption without affecting its stability, life and grip — especially wet grip. Pirelli have made their P8 economy tyre squat in shape, only 65 per cent as high as it is wide. It flexes less than the 80 series tyres most cars have, which saves some fuel. And it is more stable, allowing springier, less power absorbing rubber compounds to be used without affecting its handling or wet grip.

In Milan recently I tested Pirelli's claim that their fat but free-rolling P8 not only saves fuel but handles better, wet or dry, than their standard P3 tyre. An electronically monitored Fiat 131 on a curvy, part dry, part wet circuit saved 6.2 per cent fuel on P8 compared with P3. On a more severe, water soaked handling circuit, my lap times in an Opel Kadett were slightly, but consistently, better on the fuel saving tyre. The P8 will cost a little more than a standard tyre—say 10 to 15 per cent—but the sensible driver will more than get his money back in fuel saving and longer tyre life.

Dunlop also have a fuel saver. Their SP4 Extra has been saving German motorists up to 5 per cent on fuel bills. It has not been sold here, but Dunlop have what they say is the best fuel saver of all—a tyre like SP4 using a unique new rubber they developed jointly with Shell.

It will go on sale soon, probably early in 1982. I tried a set round the Motor Industry Research Association's circuit near Nuneaton on a Ford Escort. The track was easier than Pirelli's, with gentle curves, and the new Dunlop with the "magic ingredient" showed a 5.4 per cent improvement even on the Pirelli P8. But the Pirellis were running at a lower pressure than the narrower Dunlops and were not the latest type.

The Dunlops felt fine during a 50 mile drive on dry roads on a Metro, and Dunlop say their wet grip is as good as a standard tyre's. For the next year Dunlop have the new rubber all to themselves; after that, any tyre maker can buy it from Shell.

It is clear that by this time next year—or earlier—the air will be full of conflicting claims by the tyre makers that their product saves more fuel than any other. Michelin have a still secret fuel saving tyre, the TRX-E. It is as fat as the Pirelli P8. It is thought French car makers will start using it soon. Firestone and Goodyear are expected to launch their own fuel savers next year. In the minor league, Semperit have one already and Uniroyal-Englebert showed a tall, thin economy tyre on Ford's Probe III research car at Frankfurt recently.

What is in it for the average motorist? A reduction in driving costs—but only if he takes better care of his economy tyres than he does of his present ones. Regular pressure checking is critical, because an underinflated economy tyre will waste energy just like an ordinary tyre. Air—at most garages—is still free.

Water ways

THERE ARE two sorts of boat people. For some it is the challenge of the open sea, salty breezes beating against weathered faces, and all that stuff. The images are magnificent, but the actuality is sometimes chilly, often wet and occasionally dangerous. For others, and here almost shamefacedly I count myself, a boat means shady trees, lapping water, cool wines and village restaurants. The danger rests only in the heat of the summer sun and the strength of the wine; the work is limited to negotiating the occasional lock; and running for harbour in a squall means little more than a dash of a few feet to the nearest bank.

For all these attractions it is, apparently, only the British who are real addicts. The Dutch, and a few Germans, make their way to the Norfolk Broads or the Thames, but they are heavily outnumbered by Britons. The intrepid Frenchman who ventures on to his own canals will find himself surrounded by carousing Brits, baring their white bodies to southern sunshine and exposing their *stomachs to rough red wine* and plump red tomatoes.

That the French leave their waterways to us may be inexplicable, but it is, thank heavens, a delight. It is bad enough suffering French drivers on the N7 without having them on the Canal du Midi as well.

It would be foolish to suggest that canal or river holidays are for everyone. Being cooped up with family or friends on what really is nothing more than a floating caravan is not everyone's idea of fun. Unless you are in the mood for that sort of thing those long lazy days can easily become hours of utter boredom.

It is certainly true that idyllic dreams of pleasant canal-side pubs and gourmet meals prepared by dedicated families in tiny village restaurants frequently lead to disappointments. Canal and river traffic simply does not justify the existence of such places under normal circumstances these days. Don't take my word for it—check Michelin for France or Ronay for Britain and see what they say about canal-side eating outside the major towns.

Such good pull-ups that do exist tend to be crowded in the summer season.

When away from these towns it is often better to self-cater, stocking up with necessary supplies and venturing into the wild. That way you escape the crowds and really find out what river life is all about (Yes, I *do the cooking and share the* washing up.)

I cannot think of a better holiday for a family with young children. The family is working and playing together; the children are offered a sense of adventure; and prices by today's standards are not unreasonable. Peak season rental for a well equipped 4-6 berth cruiser on Britain's waterways is, for example, around £250-£300 a week, *with lowest season prices* around £150.

For the French waterways prices are often quoted in per person terms and include the car ferry fares, ranging from £60-£70 at the lowest season to just over £100 in high summer (the smaller the boat the higher the per person rate is likely to be). Shannon prices are similar.

When choosing a boat I would urge, if at all possible, the selection of something a little larger than you think necessary. For one thing two lavatories are useful on a family boat.

Take great care to study the layout of the boat before making a final selection. If you want to get up late in the morning and have kids or friends who prefer to be up and about at the crack of dawn, make sure there is a separate cabin well away from galley and loo. When our family has taken to boats there is always a scramble for the best cabins. By their very nature the smaller narrow boats, although much more romantic than the plastic gin-palaces of the Broads, are less flexible in this respect.

Concorde Star—one of the hundreds of luxury family motor cruisers available from Hoseasons Holidays on the Royal River Thames

Navigation is normally a simple matter. It is extremely rare for anyone to come to harm. The problems, and the laughs, come at moorings and locks. Both need a measure of *coolness and* agility and the latter often needs muscle. Regretfully of the waterways I have tried only the Broads are suitable for the one-parent family with smallish children, and even there a lightly built woman might encounter difficulty.

Locks are initially a thrill and later a chore, if they come too often. They are, however, a magnificent deterrent against over-ambition. Very soon the gentle pace of canal life conquers the urge to cover huge distances. The travellers abandon themselves to the sheer pleasure of tying up, sipping coffee, feeding the ducks and spotting dragonflies.

Choosing the setting for such an idyll is rather more difficult than choosing the boat itself. The Broads are big and, occasionally bustling; the French canals are still very much used by commercial traffic; the equivalents in Wales and England have more leisure boats and greater activity; Ireland offers space and almost wildness on the Shannon; or you can opt for real sunshine and head for Florida.

Whichever you choose, however, one of the early pleasures you should have is the relax[...] nature of the welcome and fa[...] well.

● *Further information:* Ang[...] Welsh Narrow Boats, the Ca[...] Basin, Leicester Road, Mark[...] Harborough, Leicestersh[...] LE16 7BJ. Blakes Holida[...] Wroxham, Norwich, Norfo[...] NR12 8DH. Boat Enquiries [...] Botley Road, Oxford OX2 0[...] British Waterways Boa[...] Chester Road, Nantwi[...] Cheshire. Hoseseasons Ho[...]days, Sunway House, Lowest[...] Suffolk, NR32 3LT. Freshfie[...] 441, Oxford Street, London W[...] Falcon *Leisure* 190, Camd[...] Hill Road, London W8. Touc[...] Afloat, F. B. Wilds, Horni[...] Norwich, Norfolk NR12 8L[...] (Toucan is the new brand na[...] for Guinness leisure inter[...] including boats in the U[...] France and Florida.) Brid[...]water Boats, Castle Wh[...] Berkhamsted, Hertfordshire.

Bare-root plants

GARDENING

ARTHUR HELLYER

GARDEN CENTRES, with their ranks of container grown plants ready to be established in the garden at any time of the year, have become so familiar that many garden owners may have forgotten, or if they are young have never even considered the traditional method of planting direct from nursery beds. Yet it has many advantages as well as some drawbacks and for some purposes is still the best method of obtaining new plants.

Plants grown in open nursery beds have unrestricted root systems usually markedly different from the coiled up roots of plants grown in containers. Because the roots spread out naturally, open ground plants usually require wider holes to receive them than similar plants purchased in containers.

In some circumstances this may seem a disadvantage but in terms of rapid re-establishment and sturdy growth in the first few years it is usually beneficial. Roots that have become balled inside a container sometimes show great reluctance to grow out especially if, as is usually the case, the compost is based mainly on peat with little or no soil.

Even with nursery grown plants it is an advantage if they have come from a soil of similar character to that in which they will be replanted. This is one good reason for *buying whenever possible from* local nurseries that produce their own plants.

If the nursery plants can be lifted bare root, i.e. with no ball of soil around them, they will be much lighter and this will probably mean that the cost of transport will be less. Another advantage of buying nursery grown plants is that the selection available is much greater. In general, container growers confine themselves to popular plants for which there is always a demand and only take on newcomers or rarities if there is a good chance of making them look really attractive when ready for sale.

The two main drawbacks to bare root planting are that it involves more risk of loss and is confined to a relatively short season. For trees, shrubs and roses this is roughly from late October until the end of March, a period when weather is often unpleasant for outdoor work. Another disadvantage is that some plants simply will not put up with having all the soil shaken from their roots.

Hollies and cypresses are among these and they must either be grown in containers around their roots. In the latter case, if they have to travel far, soil and roots must be tightly wrapped in hessian or polythene, a process known as balling. Such plants differ little in weight from those grown in containers and so there is no advantage in the cost of transport.

The technique of replanting bare-root plants is rather different from that used for container plants. They should be out of the soil for as short a period as possible and so, should they arrive at an inconvenient time or when the weather is bad they must be temporarily planted, or "heeled-in" to keep their roots moist. This can be done by digging an *adequate trench, laying them in* this at an angle side by side, and returning the displaced soil over their roots. If this is made firm the plants should remain in good conditions for several weeks, but the shorter the period the better.

When the bare-root plants are finally put in, the holes made for them must be wide enough to accommodate all their roots *spread out in a natural manner* and sufficiently deep to ensure that all roots are well covered. It is usually possible to detect a soil mark on the main st[...] or stems, which indicates h[...] deeply they were growing [...] the nursery bed and it is w[...] to exceed this by half an i[...] or so since there is sure to [...] some soil subsidence after pla[...]ing.

As the soil is retur[...] around the roots it must [...] carefully worked in betw[...] them and it helps to jerk [...] plant slightly up and down [...] settle the soil in place. W[...] all roots are well covered [...] soil should be lightly trod[...] to make sure that it is pack[...] and then a little more soil [...] be scattered over the surface [...] leave it level and crumbly.

All trees and most shr[...] over 3 ft high will need supp[...] for the first year or so u[...] they become firmly anchor[...] It is wise to drive in substan[...] stakes before the plants [...] placed in position or before [...] soil is thrown over their ro[...] Otherwise there is a danger [...] driving the stake through so[...] roots and seriously damag[...] or destroying them. With la[...] shrubs and trees this is a [...] convenient if one is work[...] alone, as the plant can then [...] tied immediately to the sta[...] to hold it upright while soil [...] being thrown back around [...] roots. Ties may be made w[...] any suitably strong material.

But the best for trees [...] the special straps that can [...] buckled round the main st[...] and be periodically loosened [...] that they do not cut into t[...] bark and damage or even k[...] the tree. All tree ties sho[...] be inspected at least twice [...] year so that they can [...] loosened or replaced as nec[...]sary. *Ties of twine should* [...] given a double twist betwe[...] stake and trunk to allow a lit[...] elasticity.

COMPANY NOTICES

No. 002984 of 1981
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
THE SAMPANG (JAVA) RUBBER PLANTATIONS, p.l.c.
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 4th September 1981 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Capital of the above-named Company from £264,750 to £210,000 by cancelling paid-up capital to the extent of 7½p in respect of each of the 730,000 issued shares of 10p each of the Company and by reducing the nominal amount of each of such shares from 10p to 2½p.

And Notice is Further Given that the said Petition is directed to be heard before the Honourable Mr Justice Vinelott at the Royal Courts of Justice, Strand, London, WC2, on Monday the 16th day of November 1981.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose. A copy of the said Petition will be furnished to any such person requiring the same by the under-mentioned Solicitors on payment of the regulated charge for the same.

Dated this 7th day of November 1981.
ASHURST MORRIS CRISP & CO.,
Broadgate House,
7 Eldon Street,
London EC2M 7HD.
Solicitors for the above-named Company.

NOTICE
U.S.$20,000,000
ORIENT LEASING (CARIBBEAN) N.V.
(Incorporated with limited liability in the Netherlands Antilles)

8¼% GUARANTEED NOTES DUE 1984
Noteholders are hereby informed that the December 1, 1981 redemption instalment of U.S.$5,000,000 has been fully satisfied through purchases in the open market. In addition a further amount of U.S.$604,000 has been purchased in partial satisfaction of the December 1, 1982 instalment leaving a balance remaining in circulation after this date of U.S.$14,396,000.
THE CHASE MANHATTAN BANK N.A.
Principal Paying Agent
November, 1981.

PEGASUS INTERNATIONAL S.A.
a Corporation registered and existing under the laws of Panama, is presently making arrangements for its FINAL liquidation distribution to Shareholders.
It is requested that all holders of BEARER Shares in the Fund forward Coupon No. 4 (Four), together with instructions for payment of the amount due, by Registered Airmail, to:—
Pegasus International S.A.
Po. Box N.7768.
Nassau, Bahamas.
By Order of the Board,
J. HENNING, Secretary.

COINS AND STAMPS

A REPORT BY JAMES MACKAY

Quiet confidence in a cosmopolitan market

A COMMONLY held view of the better-informed man in the street is that philately has taken a considerable knock during the past year. Reports in both the lay and philatelic press highlighting the collapse of the more speculative aspects of the market, together with the much-publicised problems of Stanley Gibbons, have been responsible for this pessimistic view, at a time when the general recession showed few signs of bottoming far less recovering.

While I would not go so far as to accuse my colleagues of sweeping over-simplification or sensationalism, it would be true to say that press reports seldom permit a detailed analysis of the situation, and there is a natural tendency to place undue emphasis on those facts which because of a sense of the dramatic, make better reading. Thus the rationalisation which swept through the entire Gibbons empire with a vengeance was not dictated so much by any slump in the market as a laudable attempt by the Letraset main board to produce results acceptable to its shareholders.

This has created a great deal of uncertainty, which the recent take-over of Letraset by Esselte of Sweden will do nothing to allay in the short term. The fact that Gibbons was forced to dispose of its ancillary collectable departments does not mean that such collectables are in a parlous state, but merely that it was felt that the company ought from now on to concentrate on its traditional role as stamp dealers. Since the beginning of this year greater emphasis has been laid on the approval or mail-order side of the business, with quite spectacular results.

Similarly, although it is sad that Gibbons decided to abandon its North American venture, closing the New York auction house after only four sales, this does not indicate any diminution of interest on the other side of the Atlantic. While Gibbons was pulling out, Robson Lowe, in conjunction with Christie's were actually opening a New York sale-room and have since held a highly successful series of auctions there. Harmer's International have produced figures for the 1980-81 season which bear this out. The total for the London saleroom was £3,831,000—up 19 per cent on the previous season despite the recession, and comfortably ahead of the rate of inflation. But the New York office added £4.5m and San Francisco just over £1m and with Harmer's of Sydney grossing a further £900,000, brought the group total to £10.85m.

Internationalism has long been a watchword of the leading London auctioneers, with regular sales by Robson Lowe in Basle and Zurich, by Gibbons in Hong Kong and Johannesburg and Harmer's in Australia and America. Phillips have now entered this field, holding a major sale in Tokyo during last month's international philatelic exhibition there.

Until now it has mainly been the British companies which have held overseas auctions but David Feldman, who started off in Dublin, is now firmly based in Switzerland, and Richard Wolffers of San Francisco hold regular sales in Japan.

The pattern of buying and selling at auction is much more cosmopolitan than it was even two years ago. Thus, at Sotheby's sale of the collection of the Japanese-American, Ryohei Ishikawa, last November the unique block of four Hong Kong 96c stamps of the 1863-70 issue went for £62,000 to a Swiss philatelist. International bidding has considerably stiffened the confidence in London which remains, despite recession and economic crisis, the centre of the world stamp market.

In March, Phillips notched up a record for a single lot in a British auction—£105,000 for the magnificent block of 39 of Norway's first stamp, the 4 skilling blue of 1855. In this instance a Swedish collector narrowly beat a Norwegian, taking this item far beyond its estimate of £50,000. Incidentally, the previous British record was £75,000 for a pair of British Guiana 2c Cottonreels at a Robson Lowe sale as far back as March 1970. This pair made a mere £270 at Harmer's in 1933 but today would need to be worth over £200,000 if only to keep pace with inflation.

London may indeed be still the centre of the market, but when it comes to the really outstanding pieces the vendors tend to go elsewhere. In May David Feldman achieved a new world record price at a sale in Geneva, when the only known example of the celebrated Alexandria Blue Boy on cover was sold for $1m. The vendor purchased it at a Feldman sale in 1975 for £82,000—which proves that, at this rarified level, handsome profits can still be made.

At the apex of the pyramid the really superlative material has continued to perform excellently throughout the past year. This end of the market is so international in character as to be virtually immune from the vagaries of economic and political crises which tend to affect the middle range of philately. Even this area, so vulnerable to the attention of speculators one minute and prone to collapse of confidence the next, has done much better than the pundits and prophets of doom forecast. To be sure, the prices of "investment fodder" have taken a dive in the past year, but even at the nadir of its fortunes, in March-April, this material was selling at realistic prices and auctioneers and dealers were reporting that things were "satisfactory in current market conditions."

At that time the British £1 stamp of 1929 for the Postal Union Congress, which had reached a peak of £2,000 in September 1979 had dropped to a quarter of that sum. The 1982 edition of the Gibbons British Comonwealth Catalogue put a very realistic figure of £650 on it.

Tobacco duty

Unmounted mint corner or marginal copies at Gibbons' auctions subsequently justified this figure, reaching £675 in March and £725 in July. A used block of four with Guernsey cancellation, which would originally have paid the postage and tobacco duty on a box of cigars, made £820 and a mint corner block of four rose to a respectable £2,500 at a sale held by James of Norwich in April.

There is a general feeling that, having reached their lowest level for some years, stamps are once more a very attractive proposition. The proportion of unsold lots in auctions held since the beginning of the 1981-82 season has been significantly much lower than in the corresponding period of 1980.

All of this, of course, tends to leave the average collector cold. He appreciates that his chances of aspiring to the great rarities are remote and is perfectly content to concentrate on the more modestly priced material. During the great investment boom of the late seventies it was galling for the ordinary philatelist to see material being priced beyond his means and there is more than an element of schadenfreude in his contemplation of tumbling prices.

At last the Edwardian and Georgian high values and those long pre-war commemorative sets are available at saner price levels. By the middle of the year there was a feeling that stamps would never be cheaper and prices have hardened as the demand picked up. This process has been accelerated in Britain by the weakening pound, which has triggered off a wave of foreign buying, both at auction and from the retail dealers who reported business to be brisk at the recent British Philatelic Exhibition.

In other parts of the world, not hit so hard by recession as Britain, there has been a similar pattern. Investment material tends to find the same level wherever it is sold but, conversely, the middle and lower reaches of the market have enjoyed brisk trading.

At grass roots level stamp collecting is as buoyant as ever. The antics of the speculators have done little or nothing to upset the broad basis of a hobby whose millions of devotees are motivated primarily by the pleasure of collecting and not by profit. They were amused by the advice continually directed at investors to think in the long term and leave their investments untouched for at least five years. The average collector sees his hobby as a lifetime interest, comforted in the knowledge that whatever vicissitudes the market may suffer from year to year his collection should have accrued a nice little bonus at the end of the day.

Interior view of the new Stanley Gibbons stamp shop in the Strand. Gibbons' disposal of its ancillary departments reflects a new concentration on its role as stamp dealer

Bullion a refuge in recession

IT IS in difficult times like these that one can appreciate some of the fundamental differences in the numismatic and philatelic markets. Both have been subject to the activities of investors and speculators but while the investor and the genuine collector may have been competing for the same stamps, when it comes to coins there tends to be a sharp divergence between the two.

The main interest of investors in coins lies in material with a high bullion content and relatively little or no numismatic value. This explains the apparent paradox that, in a time of global recession, the output of gold and silver coins is at an all-time record level. The British sovereign, the American eagle and the Austrian ducat, the traditional refuge of surplus disposable income in troubled times, have been joined since 1967 by the krugerrand.

Ironically this handy 1 oz piece started out as a collector's piece, struck only in a proof version, with a numismatic value considerably in excess of its bullion value, but since 1970 the South African government has concentrated on the mass-produced version, sold at a small premium over its current bullion value. When the price of gold rose dangerously last year to $850 an ounce and krugerrands were out of the reach of the average investor, the South African authorities obligingly introduced the ½, ¼ and 1/10th oz pieces.

Gold has since tumbled to half its record level and this has stimulated wider interest in the smaller krugerrand units, enabling far more people to invest. To facilitate this the International Gold Corporation of 30 St George St, London W1R 9FA has recently published the Krugerrand Directory of dealers.

For the investor who has the patience to contemplate the longer term of, say, five years, there is a wide range of new issues in which the starting price is largely governed by bullion content, but which offer greater numismatic potential. Because numismatic interest depends heavily on aesthetic, historical and socio-economic factors, plus the vagaries of fashion, investment in modern coins tends to be something of a gamble. Looking back over the past decade the best performers have been those with fairly low limits of issue, combined with high levels of topical interest linked to events of international popularity, such as the American Bicentennial, the Silver Jubilee and the Royal Silver Wedding.

At the moment both dealers and collectors in Western Europe and North America are scrambling after the coins commemorating the Wedding of the Year, but significantly it is those with the lowest mintage figures that are commanding the greatest interest. In general, coins with a nautical or sporting theme are a safer bet than those with a heraldic motif. With both the World Cup and the European Championship imminent 1982 looks like being a busy year for the new issue enthusiast.

For those who prefer the prospect of slow but steady growth in areas with an established secondary market the coins of the world from the past 2,000 years offer almost limitless scope. A year ago American dealers and collectors, having grown a trifle weary with their indigenous coinage, were turning their attention to the issues of Britain and Western Europe, with emphasis in the milled coins of the past 400 years. This market became decidedly soft by March or April of this year, but with the strengthening of the dollar against sterling and other European currencies there has been a revival of American interest in this area since the start of the 1981-82 auction season.

The Americans have always been sticklers for condition and their interest has been confined to pieces in the very finest available condition, which explains the widening gap between Very Fine-Extremely Fine coins (in numismatic terms) and pieces in the lesser grades. Consequently the best pieces at auction this year have regularly exceeded the estimates, while a high proportion of the poorer or mixed lots have failed to find a purchaser.

It has been an eventful year for the Arabs, on whose behalf Spink's of London and Gallerie de Monaie of Geneva competed at Sotheby's sales of Islamic coins in March and late-April. The top price in the first sale was £13,000 (against an estimate of £3,000) for a gold dinar with the rare date AH127, whereas a possibly unique Omayyad post-reform dinar of Andalusia only just reached its estimated value of £8,000. By the time of the second sale, however, it was obvious that emphasis was shifting from rare dates to rare types and subtle variants, pointing to growing sophistication on the part of the ultimate purchasers of these hitherto rather neglected coins.

Indian coins, until recently regarded mainly as bullion coins, have now begun to receive numismatic attention and prices of classical and medieval pieces have consequently risen sharply. Large European silver coins, such as thalers and their multiples, and 18th-19th century gold coins in general, have excited considerable interest lately. Classical coins, both Greek and Roman have had a quiet year but are now picking up again. Interest in English hammered coinage was sluggish early in theyear but the Civil War period seems to have captured the imagination of the Swiss banks who have been bidding heavily in recent sales, particularly for the more spectacular pieces such as the Oxford triple unites of 1642-44 in the £6,000-£10,000 range.

Lower down the scale, English and Commonwealth coins in the £100-£500 range are now much firmer than six months ago. This fact was borne out by the activity of trade buyers at the Coin Exhibition at the Europa Hotel in September, and Glendining's sale the following week of the first portion of the magnificent collection of British colonial coins formed by Fred Pridmore. Despite the recession the coin market is remarkably buoyant and prices are generally stable at a slightly lower level than a year ago.

Both sides of an exceptionally rare medal, estimated at £2,000, which is coming up for sale at Spink's on November 18. It is the first medal produced by Pisanello, the father of medallic art, and portrays the last Byzantine emperor, John VIII Palaeologus (1438)

Saki's secretive life

BY ANTHONY CURTIS

Saki: A Life of Hector Hugh Munro
by A. J. Langguth. Hamish Hamilton. £12.50. 366 pages

This is the first time that anyone has attempted to write a full-length life of Hector H. Munro (Saki) since his sister Ethel's memoir in *The Square Egg* (1924), and having read A. J. Langguth's book one sees why. There simply isn't anything like enough material; few letters, precious little documentation outside the work, and scanty living testimony to be recorded. Munro was entirely his own man, and what he did leave behind after his death in the way of literary remains was taken over by sister Ethel, and censored in order that her version of her brother should prevail.

Saki was one of the great, gay wits of English letters, a sparkling link in the chain that stretches from Wilde to Maugham, Coward and Rattigan. He lived at a time when a fiction-writer had no need to disguise the fact that he regarded certain social classes as beyond the pale; in his case these included Jews and women. He suffered bitterly as a child at the hands of the latter in the form of two formidable aunts, Aunt Charlotte (or Aunt "Tom" as she was always known) and Aunt Augusta, both of whom tyrannised young Hector, Ethel and his older brother Charles after their mother had died in childbirth and their father had returned to military duty in Burma.

As for the whiff of anti-semitism that runs through his work, that derived from his class and time, it was modified slightly after he had served as a correspondent in Russia and the Balkans and observed what the Jews had to endure there; but the attitude remained with him to the end of his life as may be seen in *When William Came*, his fantasy about the Kaiser overtaking England. He lived at a time when the practical joke, the hoax, had been elevated to the status of an art-form: many of his stories turn on sinister pranks or jokes used by precocious children to triumph over the grown-ups whose rule they hated, as in "The Lumber Room," "Sredni Vashtar," "The Open Window." Saki seems to have been obsessed from an early age by those wild animals especially wolves that make such chilling appearances in many of his tales. When Ethel's little dog disappeared he cynically advised her to buy a wolf as a deterrent to other shoppers.

Although he portrayed a grand, sadistic public school as the background of his favourite

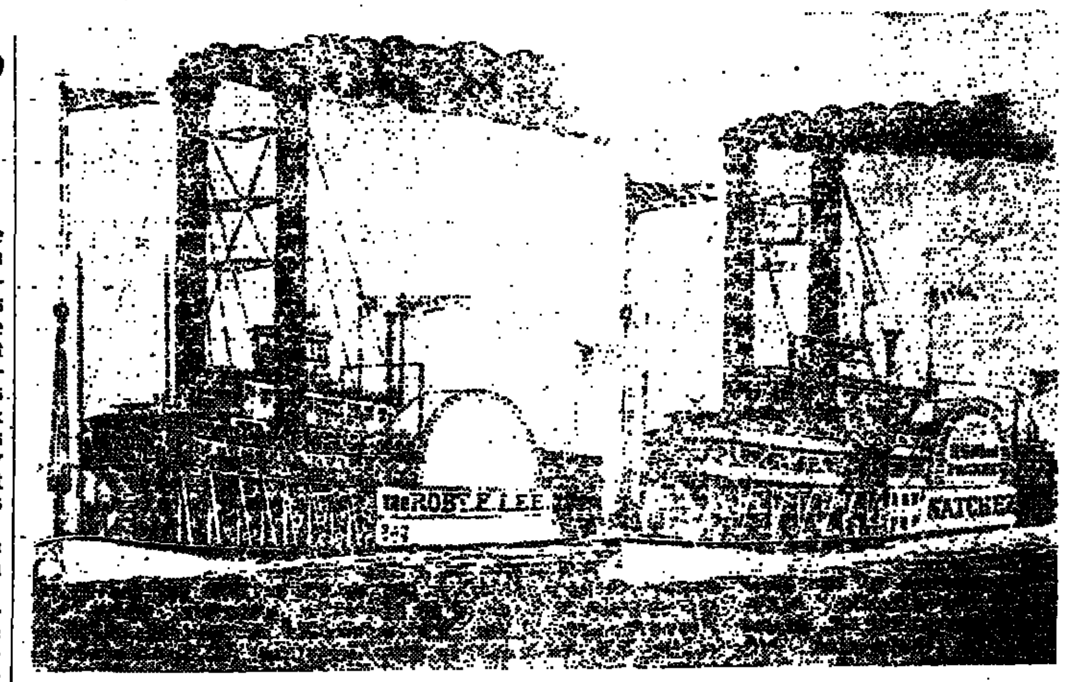
'Saki' on active service in world war one

hero Clovis Bassington, his own formal education took place at Bedford Grammar School. His informal education occurred in Davos, where in the company of his father he met J. A. Symonds who introduced him to the works of Swift, and in Burma where he served as a police officer until malaria brought him back to Devonshire and the care of his sister.

Saki was nearly 30 when he produced his first book: an account of the Rise of the Russian Empire. He arrived at his immaculate prose-style quite effortlessly; it was simply not in his nature to write an inelegant sentence or a shapeless tale. Mr Langguth prints six short stories at the end of his book that have not previously been collected; minor work, but they make the point six times over.

Munro chose the pseudonym "Saki" from Omar Khayyam (literally *saqi*, a cup-bearer) when he first emerged as a political satirist in the pages of the Westminster Gazette with some pastiches of *Alice in Wonderland*. It stuck to him throughout the rest of his career, through the early Reginald sketches, and the savage short stories that followed them. He was 43 when war was declared and, Ross-like, he enlisted as a private soldier, eschewing all offers of a commission. He was in fact sick when his battalion was sent into the attack at Betrancourt in which he was killed. He had reported for duty lest he should be accused of malingering. His last piece of writing from France is in sharp contrast to the brilliant flippancy of the rest of his work. He wrote one full-length play, *The Watched Pot*, a crypto-comedy about an upper-class gay who needs to be married to escape from the clutches of his gorgon of an aunt; it was never performed in his lifetime. Alec Clunes gave it its first production during the war at the Arts Theatre where it went down very well; though a bit wordy, it certainly deserves a revival some time by the National Theatre. The main role is ideal Dinsdale Landon fodder.

Mr Langguth has interviewed Saki's surviving nieces and garnered some authentic family background from them, and he has been through the work very closely, finding many parallels in it with the life. He does not write anything like as well as Saki (whom he begins by calling Hector and then switches to Munro) but then, who does?



'Steamboat race on the Mississippi'—a lithograph published by Currier and Ives. It is one of more than 400 illustrations, most of them in colour, assembled by Walton Rawls in "The Great Book of Currier and Ives America" (André Deutsch, £45.00), a striking cavalcade of American social history

Ol' Man River

BY DAVID BELL

Old Glory
by Jonathan Raban. Collins. £9.95. 527 pages

The worst thing about this book is its beginning. There is a strong temptation to give up in the face of mannered description (the Mississippi seemed "like iced tea with a lot of mosquito larvae floating on it") and self-conscious explanation about why Mr Raban decided to emulate Huckleberry Finn and float down America's largest river—Old Glory—in a 16-foot metal boat.

But don't give up. The book gets better. And parts of it are excellent. In particular, Mr Raban has an ear for dialogue and an eye which catches exactly the vast stretches of middle America through which he passes.

Books like this belong to a rather curious genre. Television ought to have made them obsolete because the camera can catch so well so many of the things that Mr Raban can only describe. Yet they survive because good ones, like this one mostly is, get much further under the skin than the camera ever does.

Mr Raban is particularly good at people—from barge captains to lonely, over made-up ladies in seedy singles bars. And he is good at towns, particularly the small and medium size ones along the river like Winona, Wisc or Dubuque, Iowa or Vicksburg Miss.

The best test of a book like this, perhaps, is to compare the author's description of a town with your own memory of it. In the case of Natchez, one of the riverside towns in Mississippi which he visited, Mr Raban gets high marks.

Natchez was "killed" by the railroads which siphoned so much traffic away from the river in the mid-19th-century. It has hung on, making the best of its unrivalled collection of pre-Civil War homes. Raban has caught exactly the feeling that Natchez is actually a mausoleum, a hollow replica of the old South so beloved by film companies. Indeed, he notes,

"many of the blacks have enough experience of screen slavery to qualify themselves for membership of the film actors union. Being make believe field niggers and house niggers has become their major occupation."

But it is Mr Raban's description of mid-size, middle America that sticks in the mind. The Mississippi is the backbone of America, passing through states that are almost equidistant from both oceans, literally in the middle of the continent.

This is an area still mostly unvisited by tourists (and Mr Raban offers no reasons at all why this should change) yet its preoccupations, its attitudes and, above all, its sheer isolation have to be understood if America is to be understood. Europe (or Yerop as one man pronounces it) could almost be another planet. So, for that matter, could New York or Los Angeles.

Mr Raban tries hard not to be condescending, but he does not always succeed in the face of a motley cast of characters—thundering preachers, mayors ("that goddamed Reagan is just too liberal) self-made bank presidents ("We Lebanese are the Phoenicians of America") and even the Director of Boils, Eddies, Cut-offs and Fast Currents at an experimental river station.

It is an affectionate book, but the affection is wearing thin by the end. Middle America, one can almost hear Mr Raban say, is a nice place to visit, but you wouldn't want to live there. . . .

Sadly, in view of his self-confessed love affair with Huck Finn's romantic river, he obviously feels the same about Old Glory. He might have been happier with the image he had of it in his Norfolk rectory garden at the age of seven. But then we would have missed a fascinating book.

Hollywood heroine

BY RACHEL BILLINGTON

Jane Fonda
by Fred Lawrence Guiles. Michael Joseph. £8.95, 288 pages

Jane Fonda was born in Hollywood in 1937. She was already an adult in the 1950s well before the era of beatniks, drop-outs and hippies. Feminism was not even a dirty word for several decades to come. Film stars did not have social consciences. She was brought up as a princess of an old-style movie world. Her father, Henry Fonda, was the king. 'Hank' Fonda, with his luxurious homes, super-charm, five wives, reputation as an actor spanning theatre and cinema, was the sort of father to make most daughters curl up somewhere out of sight.

Ms Fonda did exactly the opposite. She took her father on at his own game, changed the rules quite a bit and thoroughly beat him. Now, nearly half a century after her birth and two wars on, she has come to represent the New Hollywood. She has become its queen, or, perhaps more accurately, its Mrs Thatcher. Ms Fonda was never much interested in being a figurehead.

The transition from miserable pampered movie-star's child to founder of the "Indo-China Peace Campaign" makes more provocative reading than the usual Hollywood story. What did interest Ms Fonda was fame and the use of the power it brought to her. No one had tried to use her sort of power before. The most tangible proof of her success came in 1970 when the director of the Federal Bureau of Investigation, J. Edgar Hoover, personally tried to blacken her name in Hollywood circles.

Undoubtedly, she was a serious irritant to the Nixon administration. She had indefatigable energy, large financial resources and a direct line to the press. (Similar attributes have now produced other powerful Americans, notably the President.) Jane's espousal of the Black Panther cause only tailed off as her involvement in the war in Vietnam increased. Her visit to Hanoi in 1972, followed by first-hand atrocity stories from the North Vietnamese she met there, made world headlines. When peace came in 1973 she could with justice claim to have played an important role in encouraging American anti-war sentiment.

Unfortunately, with the great cause won, her royal progress became less admirable. She was not prepared to admit any failings in her heroic North Vietnamese. When tales of the torture of American prisoners of war came to light she refused to believe them. When the tragedy of the Boat People hit U.S. television screens, it was Joan Baez who organised fund-raising concerts. Jane stayed obstinately apart.

In this later period, she began to be identified with the feminist cause. In fact this was not reflected in her personal life. She has never been without the support of a serious attachment to a man. For the last eight years she has been married to Tom Hayden, the last of the Radical Chic. Her feminism was all her own, unless you count her friendship with Vanessa Redgrave, who joined her in carrying the film, *Julia*, with female leads only. Ms Fonda was too far up the pile to be part of a sisterhood.

Mr Guiles deals not only with his subject's politics but also, film by film, with her movie-career. Even her worst enemies have never denied her great ability as an actress. About the only area in which she failed came early in her career when her French director husband, Vadim, tried to turn her into a Brigitte Bardot. Despite her eminently suitable physical attributes, the Hollywood princess had an uncomfortable way of showing through. Two of her films, *Coming Home* and *The China Syndrome*, manage to combine serious content with good entertainment. Maybe French-type porn makes a good springboard.

At the start of this biography, Mr Guiles builds up the theme that Jane was fixated on her father, who paid her very little attention. He describes how she cried out "Dad! Dad!" when making love to an early boyfriend. *Henry Fonda's life is* sketched as a background to his daughter's. Now, the author reassures us, they are "closer than ever." Hank is "frankly adoring." Mr Guiles also likens Jane to Joan of Arc. Such exaggerations aside, this is a respectable piece of work, recording the life of a movie-star gone public.

Fiction

Seeing double

BY MARTIN SEYMOUR-SMITH

Feelings Have Changed
by P. H. Newby. Faber & Faber, £6.95. 266 pages

Everything That Moves
by *Budd Schulberg*. *Robson* Books, £6.95. 252 pages

The Muted Swan
by Bruce Arnold. Hamish Hamilton, £7.95. 304 pages

Go Slowly, Come Back Quickly
by David Niven. Hamish Hamilton, £6.50. 382 pages

P. H. Newby's fiction has not attracted the substantial criticism it deserves. One of the few articles on his work is called "Portrait of the Artist as a *Jung Man*," which does not in fact get anyone very far. Rex Warner became very well known for his imitations of Kafka, which are now deservedly forgotten; Newby, starting somewhat later, produced a series of novels (including *Agents and Witnesses*) which had genuine affinities with Kafka — though they were in no sense imitations or pastiche: he received only politeness and respect, and no such cheers as Warner had.

Newby's territory, like Kafka's, is mental: he writes about the way people experience reality, and about the paranoid states they get into when under stress. He does not study schizophrenia (a misleading name for a group of illnesses which present the same sorts of symptoms), which implies a decisive withdrawal from reality; he studies the morbid and yet farcical terrain, a sort of no man's land, which lies between the integrity of individuals and the puzzling demands of a reality which seems meaningless and yet lays every claim to high seriousness.

The account, in one of his earliest novels, of a man trying to prove his efficiency as a teacher — he is at a teacher-training college — by giving a specimen lesson is one of the most faultless, painful and penetrating passages of English prose of the past 50 years. *Picnic at Sakkara* is one of the funniest novels of our time because Newby has found the perfect subject, and in this case has concentrated on the purely farcical side of the question: it was exceedingly hard for anyone who lived in Egypt, at least in the period before the Revolution, to regard it as a real place.

In *Feelings Have Changed*, *fundamentally a more serious* and ambitious novel, we return to Egypt; but the main action takes place in England, much of it at the BBC, for which, of course, the author has worked during most of his life. The novel is not, he tells us (convincingly), about broadcasting politics; but we do meet Louis MacNeice and Laurence Gilliam, one-time Head of Features, as themselves.

The main character, though, is Brockeridge Charles Common ("Brock"), who starts to notice "odd coincidences" in 1963. He might even be going into a schizophrenic state; but, then, equally, he might be learning to see things in a new way — in accordance with what Jung (admittedly) called an "acausal

P. H. Newby: story with a BBC background

connecting principle," synchronicity. This is really what the novel is about, although it is not otherwise (so far as I can see) particularly Jungian—and Jung did not in fact "discover" his "principle." The book is rich in symbolism and, although often comic, as Newby always is, basically very sad and pessimistic.

Brock is not at all mad. He feels insufficient, though, against the madness of the world; he feels that he is not doing enough to keep his own individuality intact in the face of so imperfect a reality. This subtle novel records his touching reading of significance into events that are either silly or meaningless, and captures with uncanny skill a frozen but terrified state of mind. *Feelings Have Changed*, is a difficult novel, with an unfamiliar and highly original psychological slant; but it is one of the best by a well-known and yet still oddly undervalued writer. It is perhaps above all sensitive — in an admirably unpretentious and unobtrusive manner.

Budd Schulberg's best novel was his first, *What Makes Sammy Run?* about the rise of a memorably unpleasant man from nowhere to head of a film studio. Since then, with varying degrees of success, he has been imitating himself. In *Everything that Moves*, the tale of the rise and fall of a racketeer, he is seen at his worst — but his worst is, it must be added, readable and entertaining. The staccato narrative is dated, and the author has dealt with union corruption better in *On the Waterfront*. Still, the pace is swift, the detail accurate. The opportunism of Joey Hopper, and the way in which he turns the corrupt moves of the union bosses to his own advantage, are well presented. The best part of the novel deals with Joey while he is on top, "protected" by the mysterious figure in the background. When he starts to go down, the book falls to pieces, and the descriptions of mayhem are surprisingly feeble from so practised and professional a writer.

The Muted Swan, third of a projected tetralogy, continues the saga of a boy who attends a school called Coppinger. Its predecessors are *A Singer at the Wedding* and *The Song of the Nightingale*. But titles are not the author's strong suit: this novel, at least, is much better than its title promises. The school material, as reminiscent of Thomas Hughes as of Alec Waugh, is not more than competently handled, and includes difficult snatches of dialogue such as "I'm reading Auerbach at the moment . . ." The style and tone are from Henry James through L. P. Hartley, and are more often than not a little precious. The incident of the death of an epileptic boy by drowning comes straight out of the 1890s.

But very much better than all this is the portrait of the boy's father, and of the way he is taken back into the family by the boy, his sister and his younger brother. The father is a drunk, disastrous man (it is he who brings the only life there is into the drowning episode), and he leads his children into squalid drinking establishments. His impact on them, and the description of their home life, is beautifully done; this section of the book seems quite separate from that dealing with the school.

David Niven, having been successful with two non-fiction books, was bound to turn to the novel. *Go Slowly, Come Back Quickly* is quite absurd, but also quite unexceptionable. Pandora, an Earl's daughter, meets a Polish-American, Stani, in the Blitz; she becomes a film star. Everything else is perfectly predictable—and as good-mannered and nice as David Niven is when he is selling coffee. What is remarkable about this book is that somewhere on the wrapper John Kenneth Galbraith is quoted as comparing Niven to Evelyn Waugh . . . He is *much* nicer.

Post-war Winston

BY MALCOLM RUTHERFORD

Churchill's Indian Summer
by Anthony Seldon. Hodder and Stoughton, £14.95. 667 pages

There is an argument inside today's Conservative Party about when the rot set in. Rot is usually defined to mean the time when Britain's relative economic decline became distinctly visible; that is the revisionist view, shared by Mrs Thatcher.

Another view has it that the rot only really began under the present Prime Minister when the Tories ceased to be the party of one nation. That is the line taken by (say) Sir Ian Gilmour, the constitutional historian and one of the Ministers sacked from Mrs Thatcher's Cabinet.

Even among the revisionists no one has quite dared point the finger at Churchill. Irresponsibility is said to have set in around 1957 when the then Mr Peter Thorneycroft chose to resign as Chancellor of the Exchequer rather than to allow public expenditure to rise above the level he thought fit. The revisionists' villains are Mr Harold Macmillan and Mr Edward Heath.

Yet the evidence of this book is that Churchill, in his last years as Prime Minister, was what would now be called a wet of the first order. Consider first his approach to Cabinet-making. After the General Election of 1951, the post of Minister of Education was offered to Mr Clement Davies, the Liberal Party leader, even though the Liberals had won only six seats. If Mr Davies had accepted, there would have been a Con-Lib coalition. Other senior posts were offered to people outside politics altogether.

Then there was the case of Sir David Maxwell Fyfe (later Lord Kilmuir) who had expected to be Minister of Labour. It was recalled that he believed that the law relating to the political levy, under which trades union members pay fees to the Labour Party, should be changed from one of contracting out to one of contracting in. (No-one has made the change to this day, though the Social Democrats now advocate it.) He was thus passed over.

The post went instead to Sir Walter Monckton who had expected to become Attorney-General. Churchill's instructions to him were revealing. Monckton recalled later:

"Winston's riding orders to me were that the Labour Party had foretold grave industrial troubles if the Conservatives were elected, and he looked to me to do my best to preserve industrial peace. I said I should seek to do that by trying to do justice . . . without worrying about Party politics."

Some senior civil servants were worried about the possible future effects of the absence of industrial retraining. Yet retraining was unpopular with the unions. Monckton overrode his officials in the interests of keeping the peace and indeed probably no Minister of Labour, from either Party, has ever been as popular among union leaders.

There are other examples of the Churchill Government's lack of thought for the morrow, and even of profligacy. Har[...] Macmillan secured his reput[...] tion, and began to be tipped [...] a future leader, by his [...] in building houses. Yet [...] seems to have done so la[...] by grabbing any resources [...] could get: there was no [...] ordinated building programm[...] Industrial building [...] neglected at the very time wh[...] Britain's industrial competit[...] were moving ahead. [...] was more popular.

Comparisons between gover[...] ments of different periods [...] be pushed too far, howeve[...] The remarkable fact about [...] 1955 was the degree of co[...] sensus between Government an[...] Opposition. Part of it, no doub[...] was a hangover from the wa[...] time Coalition, but there als[...] seemed few issues to disagre[...] about—not even foreign polic[...]

Public opinion, nowadays s[...] volatile, seems scarcely to hav[...] been a factor. The Governmen[...] of 1951-55 did not lose one b[...] election and actually made [...] gain. It was as though almo[...] everyone agreed that Britai[...] was more or less pursuing th[...] right course. And at a tim[...] when unemployment never ro[...] above 2 per cent nor inflatio[...] above 3 per cent, who cou[...] say that they were wrong?

This book is called *Churchill['s] Indian Summer*. Yet since it [...] at least as much about th[...] administration as about th[...] man, an apter title might ha[...] been *Britain's Indian Summe[r]*. For that is what it was: pro[b]ably the last time when thin[gs] steadily got better and befo[re] disillusion and loss of self-co[n]fidence took over. The fact th[at] people can now be seen to ha[ve] been living in a fool's paradi[se] is hindsight.

What the book brings out [is] Churchill's own contribution [to] the harmony. The approa[ch] later known as Butskelli[sm] really belongs to him.

As a study it falls halfw[ay] between journalism and histo[ry]. It has been written before m[any] of the public records are ava[il]able, and the author was [not] around at the time of the eve[nts] described. Instead he has reli[ed] heavily on talking to the sur[vi]vors. Academics might pro[fit] from trying that more often.

Baton up

André Previn
by Martin Bookspan and Ro[ss] Yockey. Hamish Hamilton. £8.[...] 398 pages

André, the child-prod[igy] pianist from Berlin, found hi[m]self while still a schoolb[oy] working for MGM, writing j[azz] variations on *Three Blind M[ice]* for José Iturbi to play in [a] movie called *Holiday in Mex[ico]* and providing the on-scre[en] hands for Barbara Stanwyck [in] an independent production, *T[he] Other Love*.

This biography of t[he] "German - Jewish - French - Hollywood - American - Classical - Jazz - Pianist - Pop - film orchestrator - composer - conductor" deals convincingly w[ith] Previn's successful film car[eer] —he won four Academy Awa[rds] —and his overlapping activit[y as] a jazz musician. His metam[or]phosis into a serious conduc[tor] of classical music, culminat[ing] in his appointment as mu[sic] director of the Pittsburgh Sy[m]phony, comes off less well.

ELIZABETH FORB[ES]

HOW TO SPEND IT

by Feona McEwan

Are you shopping comfortably?

Going home to shop is big business these days as more people are discovering the easy way of shopping without tears and catching the catalogue habit. No queues, crowds or treks. With just 40 shopping days left to Christmas we round-up some of the offerings from main charities and stores. For the charities especially, gift catalogues are a major part of their fund raising effort so they need every support. Last orders should be placed by the end of the month to ensure delivery for Christmas. Postage prices given here are for UK only.

Museums & Galleries—illustration from V & A Museum's Fashion Diary, £5.95 plus £1.50 p+p

LIBERTY, Regent Street. London W1 (Tel 01-734 1234). Already a success story, this year's catalogue (the store's second) has doubled its customers, and sold out within its first 2½ weeks. Now in its second print run there are only a limited number left, and once these go there's sadly no more until next year. So hurry for your copy. The store is over joyed. But it's not hard to understand such success. Not only are more people less inclined to brave the queues, the hassle of Christmas shopping and buy by post but the Liberty catalogue is full of the unexpected delightful little ideas that would be a treat to give or receive. I defy anyone to flick through it and find nothing to their liking.

There's a comprehensive section on the store's various exclusive goods like the Tana Lawn holdalls (wash bags, make-up holders, spectacle cases) the Varuna wool shawls, and the silk scarves. Not to mention a good range of funky costume jewellery, the Japanese lacquer-ware, the exotic soaps and scents, the lingerie, the spectacular Italian perfume bottles each under £20, the nine-piece breakfast set from Italy with fresh blue sprig of flower on it (for just £22.50 plus £1 p+p) the ravishing stationery and much much more. All chosen with an unerring eye for what's wanted now. Catalogue is £1 inclusive from the above address. Allow 21 days for delivery of goods.

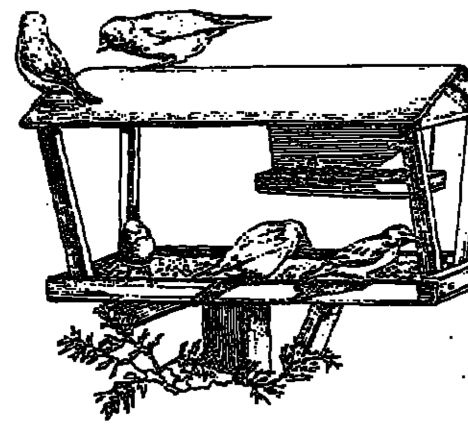
BRITISH MUSEUM, (Publications) 46 Bloomsbury Street, London WC1 (Tel. 01-323 1234). With its replicas and reproductions of fine bronzes, sculpture and jewellery (see the splendid cat shown here) the Museum appears to have found a growing market. BM Publications finds its black and white 12-page mail order booklet "Replicas" is reaching a new enthusiastic audience.

Though perhaps appealing mostly to those of an historical bent (the items are based on originals inside the Museum, dating back to the BC period) to my eye, some of the sculptures are especially pleasing. Prices are reasonable starting at about £7. Contact the marketing manager at the above address for free booklet. Allow 28 days for delivery of goods.

●

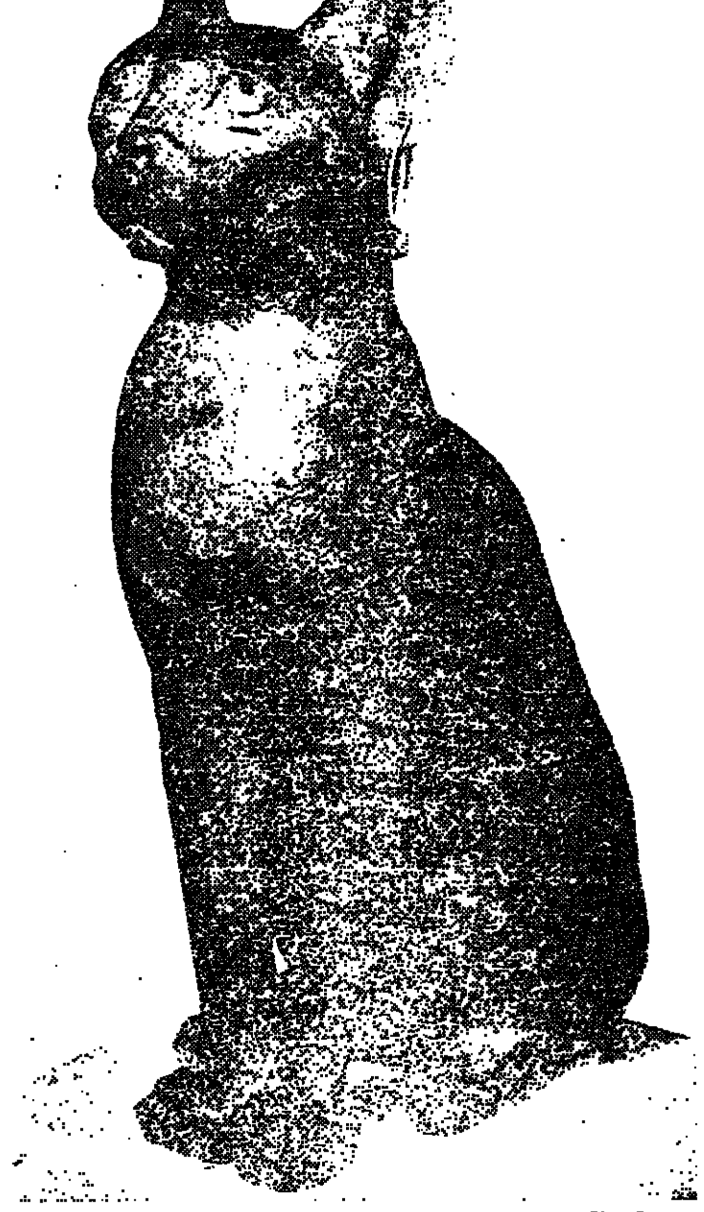
HALCYON DAYS, 14 Brook Street, London W1 (Tel 01-499 5784). Lovers of little boxes need look no further. This delicious catalogue displays page upon page of covetable enamels that become collectors' items the moment they are issued. With each catalogue more tantalising goodies are put before us, like the travelling alarm clock shown right and the dainty new desk accessory set by Caroline Ebborn, delicately painted with flowers in soft creams, pinks and yellows.

Catalogue £1 inclusive from the above address. Christmas orders should arrive not later than December 10.



RSPB—ply bird table, fits onto 5cm post, £9.25 plus £1 p+p, with seed hopper inside, £2.75 plus 50p p+p.

ROYAL SOCIETY FOR THE PROTECTION OF BIRDS, The Lodge, Sandy, Bedfordshire (Tel. Sandy (0767) 81811). There's no mistaking which charity you'd be supporting if you buy from this 48-page catalogue. Every conceivable object, it seems, has been stamped prominently with a feathered form, and while perhaps only committed enthusiasts would thank you for the brashest of these, the table mats, cuff links, aprons, and wall plaques, there are some more generally acceptable variations. Look for the pretty Wrens design cardboard stationery—there's a stack of 5 boxes, different sizes up to 16 cm wide for £1.95 plus 50p p+p, a miniature chest of drawers for dressing table odds and ends £6.90 plus £1 p+p and pencil box £2.50 plus 50p p+p. To my mind, what the RSPB does best is, not surprisingly, its bird tables—from windowsill fittings to 2-metre high catproof versions. Catalogue free from Department 102 at above address.



Glyn Genin

British Museum Publications—replica in resin of Egyptian Saite cat, 7in high, £44.75 inclusive of p+p.

ASPREY, 165, New Bond Street, W1 (tel. 01-493 6767). One of the most exclusive of the exclusive catalogues, this full colour glossy comes with prices to match. If you have to ask the cost you probably can't afford the goods. Certainly after you've been dazzled by the fabulous jewels you won't be noticing details like noughts on the end of price tags. And with a ceiling of around £220,000 perhaps you're not meant to.

Here is everything the executive and his wife never knew they needed, all exquisitely made, so a good hunting ground for the person who seems to have everything else. From a silver-plated expanding champagne bottle stopper to an 18th-century antique globe. But if Asprey caters primarily for the very affluent, there are of course more modest rewards too. The likes of the travelling shoe kit for £11, plus £1.50 p and p; a gilt metal wine thermometer for £8.50, plus £1.25 p and p; or a silver-plated Georgian style non-drip wine pourer for £8.50, plus £1.25 p and p. The cocktail section certainly is one of the most useful and within reach of most pockets. Catalogue free from above address.

●

THE BRITISH HEART FOUNDATION, PO Box 45, Burton-on Trent, Staff. Rather a rag bag mixture of gift ideas with the great virtue of being very attractively priced. The bulk of the ideas in this 24-page catalogue are under a fiver and mostly of a practical nature. There's the "Exertoner" for keeping trim, £2.43 plus £1.15, the best selling windscreen frost shield £1.99 plus £1.15 p+p ideal for early birds, the brass spraying can for indoor plants, £2.99 plus £1.15 p+p, the mini boiler £4.99 plus £1.15 p+p which heats water directly in the mug, useful in the office or when travelling. Free catalogue available from the above address. Allow 21 days for delivery of goods.

Hamleys—'Majestic Cats' musical jewel box plays Song of the Pearl Fisher, 4in x 4in x 6in, £11.99 plus £2 p+p.

●

HAMLEYS, 188, Regent Street, London, W1 (tel. 01-734 3161). Everything you would expect from the country's leading toy store. A toy shop it may be, but it's a sure bet that grown-ups too will spend many a lingering moment over these packed pages.

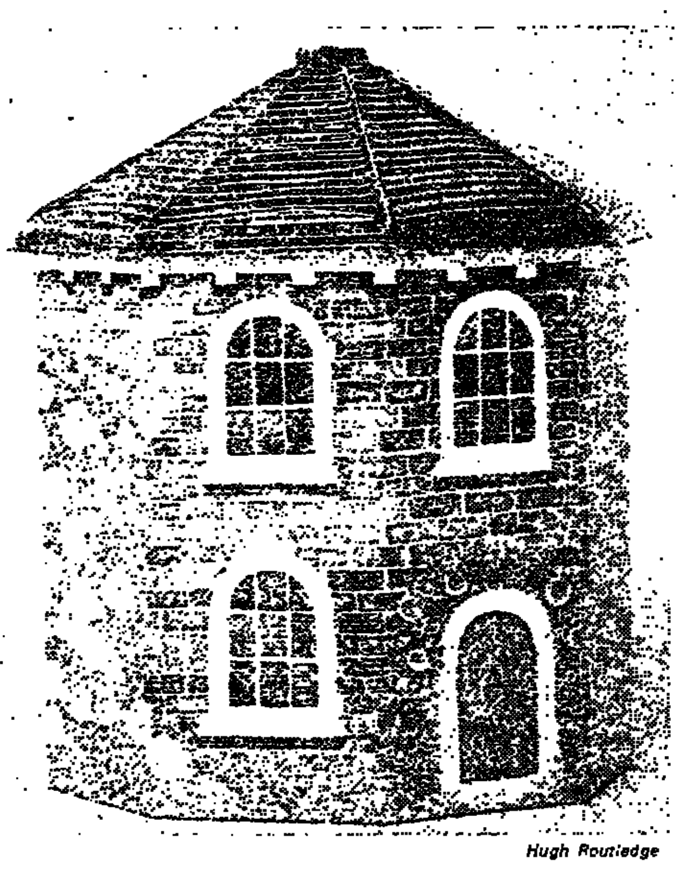
Here is everything a child could conceivably wish for from teddy bears to electronic games, Barbie dolls to model railways—presents to suit all pockets and all ages. The bumper 170-page full colour catalogue costs 80p inclusive and is available from the above address. Orders received after November 30 cannot be guaranteed for Christmas delivery.

GENERAL TRADING COMPANY, 144 Sloane Street, London SW1 (Tel 01-730 0411). Full marks for clarity to GTC who this year have tried a new format—a fold-out broadsheet displaying a few well-chosen pieces, just 75 in all.

A typically motley and interesting selection, there is something here for each member of the family from a Robertson's golly £2.55 plus 60p p+p to colourful checked cotton brollies £15.45 plus £1.30 p+p, enchanting little Kate Greenaway initial boxes 4cm dia, for £18.20 plus 50p p+p to a handsome maple wine cart for £235. Leaflet free from above address.

●

THE NATIONAL TRUST, PO Box 101, Melksham, Wiltshire (Tel. 0225 705676). First the sad news: the organisation that goes to such lengths to bring us original gift ideas—this year's items are mostly new and designed exclusively for the Trust—has sold out of catalogues. But this is not to stay it has sold out of merchandise too. So if you live near any of its myriad shops, hurry along. Contact the above address for details of your nearest branch. Over the years, the Trust has gained something of a name for its clever packaging and sound presentation of good present ideas which have a wide appeal. This year is no exception—hand-made chocolates in a box that resembles a confectioner's shop £3.95; a round Christmas pudding in a handsomely illustrated square box, £3.95 for 2½ lbs; sweety-filled tins in the shape of an old inn and an early doll's house, each £1.50; the pot pourri tin in the shape of an old toll house, shown here.



Hugh Routledge

National Trust—19th century toll house box of pot pourri, £2.95 (£1.25 p+p).

NATIONAL ANTI-VIVISECTION SOCIETY, 51 Harley Street, London W1 (Tel. 01-580 4034). No gift catalogue available but a very appealing Animals' Calendar worthy of mention, showing the sensitive paintings of Brian Carter, £2.50 inclusive of postage and packing from the above address.

HARRODS, Knightsbridge, London, SW1 (Tel 01-730-1234). For the first time the store that wafts you to a different world has broken with tradition and brought out not so much a catalogue, more a magazine.

Sure enough, magazine-like it features advertisements front and back and in-between there are some diverting editorial stories by such luminaries as Patrick Lichfield, Milton Shulman and Lady Henderson. But around this the merchandise is there prominently displayed and labelled for all to buy.

As you might expect it is a suitably lavish affair with glossy full colour pages, 144 in all, and the feel of a glossy fashion magazine. No surprise then to learn it is produced in conjunction with Conde Nast, publishers of Vogue. Magazine-like too, it will be on sale around the country at W. H. Smith and Robert Menzies newsagents. Now Harrods comes to the high street.

The book is divided up into sections so flipping through, it's just like moving through the store taking in all the varied counters, glass to linen, fashion to food only this time your fingers do the walking.

However, I might venture to add that the selection of items shown seems more a flavour of the store than the true taste. Whoever chose the goods to be featured was perhaps playing safe. There's little sense of the infinite variety and excitement that is still this stores star quality.

Find Harrods Magazine, price £1.25, in the store itself or the newsagents mentioned or write to the Mail Order Department of Harrods enclosing £1.75 inclusive for your own copy. Orders should arrive by December 8 to be in time for Christmas.

Lucia van der Post will be back next week

Drawings by Christine Robins

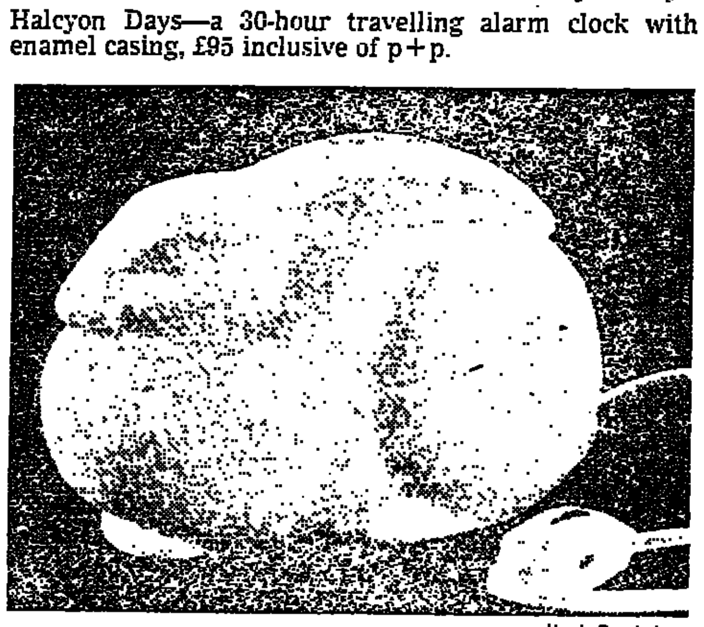
MUSEUMS AND GALLERIES OF GREAT BRITAIN (Gift Selection), Thorne Estate, North Eastern Road, Thorne, nr Doncaster (Tel 0405 814218). Those of a more esoteric nature might find this range of historical replicas and reproductions drawn from some of the country's finest collections (including V and A, Royal Pavilion, National Railway Museum) to their taste.

Jigsaw fiends will enjoy the 800-piece puzzle, Queen Victoria's Saloon, showing the lavish interior of her coach (16½ ins x 21¾ ins, £2.50 plus £1 p+p) and for the inquiring child there's an interesting selection of antique toy reproductions. A pair of cutout and sew rag dolls, 15 in high, costs £1.80 plus £1 p+p. Two good postal presents ideal for distant grandchildren, nieces or nephews come in the form of a charming set of 10 bookmarks, each illustrated differently with early toys (£1.10 plus £1 p+p) and the Punch and Judy Activity Card—a 3-d folding card which makes up into a tiny theatre, with four puppets and sticks. Just 50p plus £1 p+p.

Free catalogue from the above address. Allow 28 days for delivery of goods.

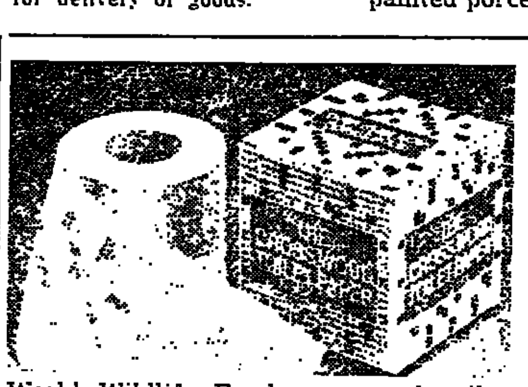
Hugh Routledge

Halcyon Days—a 30-hour travelling alarm clock with enamel casing, £85 inclusive of p+p.



Hugh Routledge

General Trading Company—bunny nightlight, hand-painted porcelain, £14.50 (£2.10 p+p).



World Wildlife Fund—crossword toilet paper, £2.65 (£1.15 p+p).

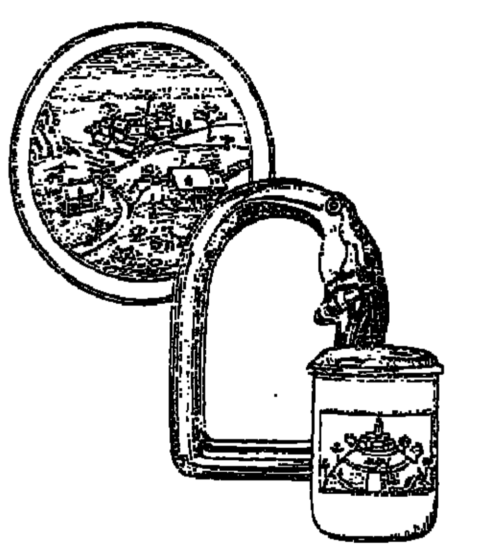
WORLD WILDLIFE FUND, PO Box 49, Burton-on-Trent, Staffs. Besides its extensive selection of stationery, cards, wrappings, and calendars, this 32 pager thinks of everybody. There are useful sections for the gardener, the motorist, the kitchen, keep fit fans, as well as for him, for her and for them. An endearing gift for a grandparent would be the slim volume called simply Grandmas and Grandpas, a collection of drawings and sayings by children, £2.95 plus £1.15 p+p.

Just the thing for long distance travellers is the plug-in ½ pint coffee maker for two which works off the cigar lighter in your car. £7.99 plus £1.75. Free catalogue from the above address. Allow 21 days for delivery of goods.

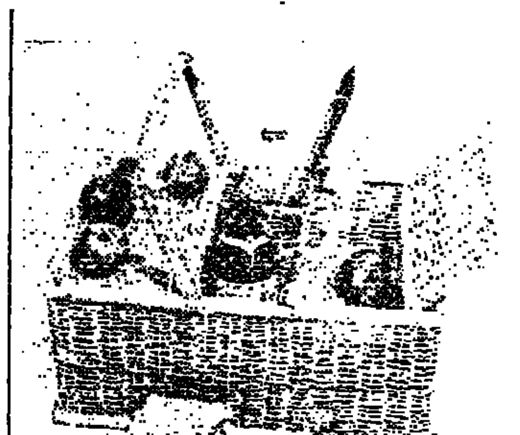
Fortnum & Mason—Victorian reproduction photo album, exquisitely painted, only 750 made, £125 plus £2.40 p+p.

FORTNUM AND MASON, Piccadilly, London W1 (Tel 01-734 8040). Full colour selective catalogue, nearly half of which is devoted to gastronomic extravagances—on which, of course, the store's reputation was originally founded. This is certainly the place to find that elusive hostess present—perhaps an earthenware jar of fine English stilton from £5.70 for 6 oz plus £1.55 p+p; a round of marrons glacés from £4.60 for 149 g tin plus £1.55 p+p; or some Fortnums Favourites plain chocolates cleverly boxed in a picture postcard replica of the store £5.25 for 11 oz plus £1.55 p+p. There's also a selection of present ideas for him and for her—predictably traditional, high quality and pricey (silk, leather, fur, cashmere). One of the more inspired ideas is the Victorian reproduction portrait album shown above. Catalogue is 50p in te store or £1 by mail from Fortnums Press Office (send a postal order or cheque). Last day for receiving orders for Christmas is December 10

HEAL'S, 196 Tottenham Court Road, London W1 (Tel 01-636 1666). A compelling round-up of lines that the store is strong on, bar the furniture. There's a page on zany stationery, streamlined cutlery, Scandinavian glass, Crabtree and Evelyn goodies (both edible and fragrant varieties), a good section on toys and an ideas page with items like the Toucan picture frame, shown below. Free catalogue from Heal's Press Office. Last day for receiving orders for Christmas is December 9.



Heal's—Toucan picture-frame, centre, £19.50 plus £1.20 p+p; Naif design mug £3.95 plus 65p p+p, and plate £9.95 plus 92p p+p.



Oxfam—wicker picnic basket made in the Philippines, 17in x 11½in x 7½in. £9.50 plus £1.95 p+p.

OXFAM, Murdock Road, Bicester Oxon. (Tel 08692 45011). The biggest catalogue yet—32 pages—from the charity that fosters producer groups in developing countries from Bangladesh to the Philipines and offers them this shopwindow. As well as the best of Third World handicrafts, there's a section from disadvantaged groups in the UK and most of the handmade goods are distinctly functional if not decorative too. A strong wicker section includes a simple cane cabinet for bathroom or bedroom £8.95 plus £1.95 p+p; shaped cane stool, 15 ins high, which doubles as plant stand, £11.95 plus £1.95 p+p, picnic basket, shown on this page, and a children's basketware crib, 16 ins long, £13.95 plus £1.95 p+p. Notice too the exotic lacquered boxes in the shape of a golden tortoise (£4.75 plus £1.35 p+p) and a golden duck, 4 ins long (£5.50 plus £1.35 p+p) both in papier mache from Thailand. Send 20p in stamps to the above address for a catalogue. Allow 21 days for delivery of goods.

Hugh Routledge

Liberty—silver plate miniature photo frame, 4in high, £25.25 (£1 p+p)

ARTS

Pye in the sky

BY B. A. YOUNG

Owing to circumstances beyond my control, as they say, my report of the Pye Radio Awards, presented by HRH Princess Alexandra on October 20, failed to appear. This embarrassed me particularly because I had been one of the judges in some categories—performance by an actor, performance by an actress, sports personality, original play, and of course the Gold Award for long service to radio. My feelings matter less than those of the recipients and the donors, Pye and in the Society of Authors; and for the record, here, with apologies, is the list of winners:

Best performance by an actor: Terry Molloy in *Risky City*. By an actress: joint-winners, Marcella O'Riordan in *The Old Jest* and Maureen Beattie in *Can You Hear Me?* Radio production (producer): *Manderston*, produced by Patrick Rayne. Local radio, best programme: Radio Metro's *Hartley Colliery Disaster*. Programme for young listeners: Radio 1's *Talkabout*. Contributor to a light entertainment programme: Alexei Sayle (Capital). Scripted talk: Ray Gosling for *Skelmersdale*. Current affairs documentary: *James Cameron and the Korean War*. Arts or history documentary: Radio 4's *Ballad of Belle Isle*. Radio personality: Tom Vernon. Sports personality: Brian Johnston. Drama, adaptation: Liane Aukin for *Between the Acts*. Drama, original play: Valerie Windsor for *Variation on a Snow Queen*. First play by a new writer: Nick Dear for *Matter Permitted*. The Gold Award for the most outstanding contribution to radio over the years: Douglas Cleverdon.

The Pye Awards are important in reminding us that radio is not just a sound to relieve tedium but an art form as specific as painting or the ballet. During the two weeks' judging we listened to 57 radio plays. Radio drama is one of the major outlets for new dramatic writing (and it was good that the Pye Awards now include a category for first plays). Playwrights who overlook it, or despise it, make a great mistake. On the other hand, those who believe it is a short cut to learning how to write for the stage fail to understand the particular qualities of either art.

In radio drama, you can do anything instantly, move about in space or time, blow up the Houses of Parliament, join the crew of the space shuttle. The one provision, that you must rely exclusively on sound, is no greater restriction than the landscape-painter's requirement to put all three dimensions of his subject on a two-dimensional canvas.

I was impressed by the high average standard of the writing. Acting is another matter. One must recognise that emotions visually expressed on the stage must be expressed on the radio by the voice. Radio actors tend to over-emphasise, and to gild their lines with such other means as they and their directors can devise. My impression, after some 4,000 nights in the theatre in the past 20 years, is that these means are used too much, and that less emphasis might be a good move.

It happened that the award-winning actor repeated his award-winning part in Ron Hutchinson's *Risky City* on Radio 3 on Sunday. The character Terry Molloy plays is helpless in the intensive-care unit of a hospital, and mustn't sound as if he were merely chatting with his mates. (John Wain said in *Words* that I shouldn't write mustn't but must not; but as he said "under the circumstances" when he meant "in the circumstances" I thought I *might* take the risk.) Mr Molloy's blend of reality and soliloquy—indeed the acoustic used through the whole play—showed a masterly understanding of radio technique. Roger Pine was the director.

Malcolm Bradbury used a more curious technique for his Dr Vestey in *Congress* (Radio 4, Wednesday). Dr Vestey read a paper to an international gathering discussing "cultural and economic inter-penetration in the 80s," and took the opportunity to penetrate the girl who did the English translations. These things he did without uttering a syllable. Alan Ayckbourn played the same game in his first play, *Mr Whatnot*, but he had visible action. Prof Bradbury's character was defined by being presented as the blank shape left in the middle of a sheet when the rest had been filled with figures. The theme, I take it, was that at these international jamborees the value of a language is minimal when understanding may be achieved without it.

The sunny side of Soviet theatre

BY MICHAEL COVENEY

Two years ago the Rustaveli Theatre came to the Edinburgh Festival with *Richard III* and *the Caucasian Chalk Circle*. It was immediately apparent that here was a major company with a distinctive style. In order to understand more of what constitutes the special quality of the Rustaveli, I tracked them to home base in Tbilisi, Georgia, last week. The occasion was the celebration of the Rustaveli's centenary.

The sun shone from day break to dawn. Tbilisi is a beautiful town nestling among large hills on the other side of the Caucasus. Its theatre is as crucial a part of everyday life as the crack soccer team, Dynamo Tbilisi. As a visiting Englishman who teaches Russian in America remarked, the place is like a city state in Ancient Greece. There is little visible strain in the relationship between the theatre and the community, a privilege that has been brilliantly exploited by the current director, Robert Sturua.

Tbilisi has a population of 1m and 10,000 applications had been received for tickets to the celebratory programme. The Rustaveli Theatre itself, a handsome, agreeably decadent late 19th-century house with three circles painted up in white and gold, holds 1,900 spectators, so the shindig was held in the much larger, more impersonal Philharmonic concert hall. Sturua's formal duty of historical compilation did not deter him from putting several points across. The theatre was actually founded in 1879 (this tart reminder in the second line) and has continually struggled in its search for an identity. This has chiefly been resolved in a conflict between the generations.

Senior Rustaveli actors find themselves increasingly excluded from Sturua's productions. These rugged ancients, with high profiles and booming voices, took on the roles of displaced Rustaveli alumni. Sturua's star, the extraordinary actor Ramaz Chkhikvadze, had had an exhausting week, and he remained curiously aloof from the dogged cut and thrust of the narrative. He swept onto the stage a few times to deliver crucial announcements, flanked by lesser colleagues. No-one displaced him.

The history ended with a film show of the Rustaveli on tour, wearing large hats in Mexico and strolling through London. After the interval, an array of international guests including Thelma Holt of the Round House (where Sturua most enjoyed his own production of *Richard III* in January 1980) paid eloquent and affectionate tribute to the Rustaveli.

The company was so named after the poet Shota Rustaveli in 1921, after Georgia came under Soviet power. The Russians distrust the Georgians for obvious reasons: they enjoy life so much, bask in a Mediterranean climate for ten months of the year and are fiercely proud of their past. The past, however, is only a means of inspecting the present. And Georgians work and play with a gusto that is all their own. They are an elegant, courteous, ridiculously hospitable people and these characteristics inform every public gesture, be it at the dinner table or in the theatre.

I saw the Shakespeare and Brecht productions once again and wondered anew at the inspired fusion of music, design and declamatory vigour of presentation. What is unusual about the Brecht is the manner in which it vibrates with emotional warmth, even though I would estimate that 80 per cent of the action is addressed straight out front to the audience. The show is bathed in an unforgettable score by Gia Kanchely that combines elements of rock, Jewish and Georgian folk tunes, Italian *bel canto*.

It smashes the Brechtian mould to smithereens, pursues a brutally insistent narrative line and brought a mid-day Saturday matinée audience to its feet. In many ways this production is more important than the *Richard III*, but Chkhikvadze's famous interpretation has already entered the record books alongside Laurence Olivier, Robert Hirsch and Ian Holm. He has now developed a swinging right leg when leaning at rest on his stick, jaw jutting and eyes gleaming with ironic expectation. This Richard's casual malevolence makes his butchery all the more terrifying as the victims are picked off, not with a show of blood and a drum roll, but with a soft black glove tapping them quietly on the shoulder. The next morning, at Chkhikvadze's breakfast table which groaned with caviar, stuffed peppers, eggs, cheese, bread, cognac, vodka and Royal Doulton china, I learned that the Georgian finance minister was under arrest and in danger of the death penalty.

There is a dearth of good new Georgian playwriting, but if the two new plays I saw are representative of Sturua's taste, then Tbilisi is no place for the boulevard dramatist. The director has done his own version of *Blue Horses on Red Grass*, a fascinating piece about Lenin by Mikhail Shatrov. Sturua has fragmented Lenin into three personages, none of whom fit easily into the official Soviet view of the subject. (So successful is this iconoclastic approach that the Rustaveli version was taken off after one performance in Moscow.) Young Communist activists and the unstoppable spew of Leninist literature are mercilessly mocked, while Lenin himself is shown to be unmasterful, hesitant, unable to complete the job he began as symbolised in the unfinished painting of a dying young artist. *Sturua's point is that* Lenin was complex, pragmatic and deserving of better accomplices than he has attracted. The three Lenins refuse the offer to take up the artist's brush and a young girl leaves it on the edge of the stage, inviting the audience to get up and help. The play, in another production, is currently a big success at the Berliner Ensemble.

The other new piece, *Variations on a Theme*, is by Sturua himself. It investigates, astonishingly enough, the freedom of the written word, or lack of it, in the Soviet Union. That is to say, it is hot stuff. The ideas are cleverly dressed up in the Pirandellian conceit of an old actor manager (Chkhikvadze again, this time in irresistibly light and mellow vein) both supervising the moral debate and putting on a show. There is a liquid enchantment about the presentation which touches on questions of youthful innocence and who, at table, should be the toastmaster (at this point, a huge dinner table descends from the flies and a Georgian audience sees a mirror image of itself bellowing toasts in unruly *fracas*).

This performance was preceded by a most moving ceremony. Yuri Lyubimov, founder and director of the Na Taganke Theatre in Moscow, presented the Rustaveli with the guitar of Visotsky, the brilliant actor and folk hero who died two years ago. Lyubimov has waged a bitter struggle against Moscow authoritarianism and censorship since the birth of the company in 1964. Tired and haggard, he seemed almost to be passing the torch of defiance to the Rustaveli, now generally acknowledged to be the most exciting theatre in the Soviet Union. As I flew home I heard

Ramaz Chkhikvadze as Richard III

of Lyubimov's final tribute to Vistotsky staged last Saturday in the Na Tanganke, the audience packed with representatives from the KGB.

Robert Sturua and the Rustaveli have many reasons for preserving their independence from the Soviet task-masters: cultural, historical and political. It is extraordinary that, under Sturua's pragmatic and imaginative direction, and with the growing support of the free world, the Rustaveli is managing to flourish and substantiate its claim to be reckoned a le[ad]ing theatre of our day. [We] can expect to see them ag[ain] next year in a new product[ion] of *King Lear*, Chkhikvadze [in] the lead, possibly at the Ed[in]burgh Festival and hopefully [at] the Round House.

Parliament in flames

BY ROSALIND CARNE

After a six-year absence, Welfare State International returned to London on Guy Fawkes night with an expensive piece of stage management on Blythe Hill Fields. Impressive it was, though hardly celebratory, judging not only from my own frustrations but from the grumbles around me in the packed throng of 13,000 (the company's estimate). Too much theatre, not enough fireworks, was the prevailing moan. Quite a justified moan it seemed to me.

The problem is partly one of scale, but not simply physical scale. The wood and cardboard model of Parliament, the glass-eyed monster and the mouth of hell are large enough for all to see. Likewise, the huge mosquitoes and midges "from the corridors of power," the "stork of hope" and "the little vulture" Guy Fawkes. But there is confusion in the metaphors, and an over-abstract scenario which transmits its message with difficulty over an amplified outdoor sound system.

The company are, in their own words, "concerned to extend the boundaries of existing theatre." In this case, they have overreached themselves and created new boundaries. The chronology, futuristic and fantastical, is ultimately muddling. It includes the atom bomb, a battle between the "galleon of liberty" and the "black ship of oppression" and a skeletal Guy Fawkes who goes down in the final conflagration along with a 60 ft high Big Ben.

The overwhelming effect is distant and alienating. It is hard to pick up significant developments over 100 yards of *muddy ground, sprinkled with* fire prevention officers, local councillors, technicians and soldiers. Huge puppets w[ork] better in street processions [and] carnivals, as was amply brou[ght] out by the angry enthusia[stic] response to Maggie Thatcher [on] wheels, who harangued spe[ctators] before the show went [on]. With typical Tory luck, [she] escaped the flames.

That said, the fireworks w[ere] splendid. Inhuman as they [are], they must appeal to some fu[nda]mental yearning for awe [and] wonder in the human sp[irit]. Otherwise why the oohs [and] ahs?

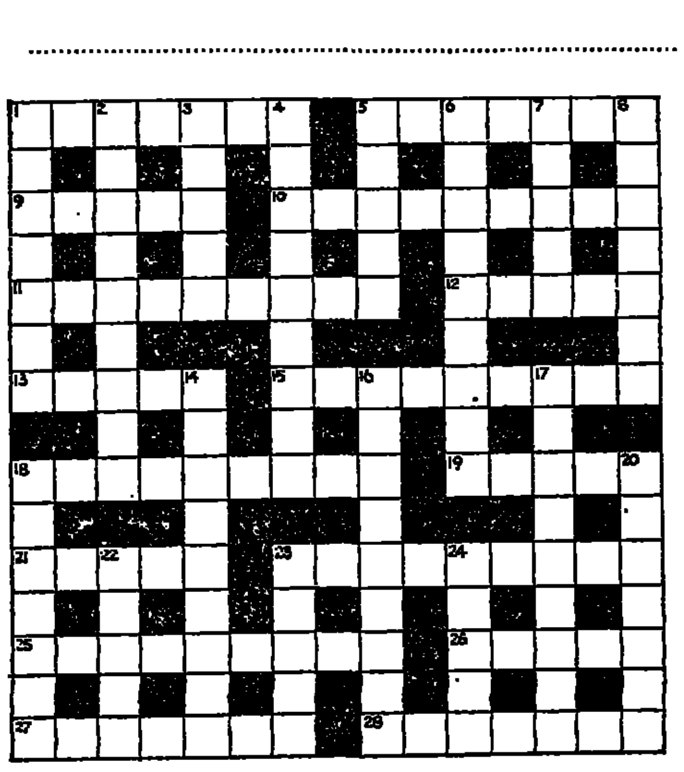
The evening's entertain[ment] cost a tidy £13,000, but Wel[fare] State hope to break even, [with] a little help from Lewis[ham] Council, the GLC, GLAA [and] the Arts Council. Now they back off to the North, ma[king] theatre with the people - *taking theatre to the peopl[e]* Cumbrian villages. This [is] what they do best.

F.T. CROSSWORD PUZZLE No. 4,718

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



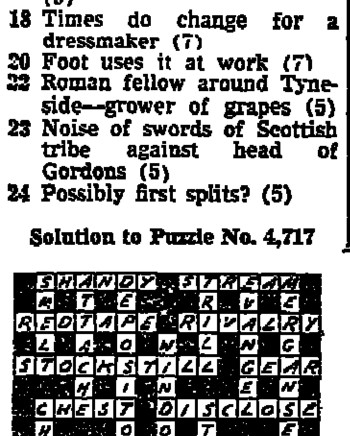
ACROSS

1 Bow-tie? (7)
5 Nail-hardener a tinker used (7)
9 Underseal for Mini-type? (5)
10 Demolished ancestral royal house (9)
11 Turning sour, with nasty spirits—whom can we blame? (9)
12 These birds look back in semi-rage (5)
13 Indispensably, Eden's undoing (5)
15 Does he suffer from poor circulation? (9)
18 Having no strikers left—incomparable! (9)
19 Plan to show doctor a shortened foot (5)
21 Dead superior port (5)
23 Lack of courage having developing cod war in abeyance (9)
25 Skill of McCartney in airship? (4-5)
26 Entertained at feast but doomed, they say (5)
27 Stopper per a lug, possibly (3-4)
28 Remainder live round the bend (7)

DOWN

1 Bridge is a card game (7)
2 Flawed and tense (9)
3 Minty shrub from the bothy-meadow (5)
4 Free-lance ever displaying pertinence (9)
5 Two old books of sovereigns (5)
6 Soldiers to look after? (4-5)
7 It goes back on the tenth (5)
8 Wind ten rows of knitting (3-4)
14 Like the ball Phil cares about (9)
16 Almost desolate lake in Cumbria (9)
17 Being terribly skinny, I came up with date recipe (9)
18 Times do change for a dressmaker (7)
20 Foot uses it at work (7)
22 Roman fellow around Tyneside—grower of grapes (5)
23 Noise of swords of Scottish tribe against head of Gordons (5)
24 Possibly first splits? (5)

Solution to Puzzle No. 4,717



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Better Badminton. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand (including 12.50 News Summary); Football Focus (12.20); Boxing (12.55) Highlights of the Mike Barrett/Mickey Duff promotion; Racing from Chepstow (1.20, 1.50, 2.20); Motor Racing (1.40, 2.10, 2.40) from Thruxton; Trampolining (3.00, 3.55); Basketball; Asda National Basketball Cup Quarter-final; Boxing (4.25) Heavyweight Championship of the World for WBC title: Larry Holmes v Renaldo Snipes from Pittsburgh; 3.45 Half-time football scores, reports and news: 4.35 Final Score.
5.10 Kung Fu.
6.00 News.
6.19 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 News and Sport.
8.55 Royal British Legion Festival of Remembrance in the presence of The Queen and other members of the Royal Family.
10.15 Match of the Day.
11.10 Parkinson.
12.10 am World Heavyweight Boxing: Larry Holmes v Renaldo Snipes (highlights).

BBC 1 VARIATIONS: Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales. Scotland—4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 10.15-11.10 Sportscene from Scotland. 12.50 am News and Weather for Scotland.
Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News. 12.50 am News and Weather for Northern Ireland.
England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

10.10-11.25 am Open University.
†2.30 pm Saturday Cinema Double Bill: "My Brother Jonathan," starring Michael Denison and Dulcie Gray; †4.15 "Pink String And Sealing Wax," starring Googie Withers.
5.40 Metro Royal.
6.10 Shakespeare in Perspective.
6.35 The World Chess Championships.
7.00 News and Sport.
7.15 Did You See?
8.00 The Shotgun Inheritance.
8.40 The BBC Television Shakespeare: "Troilus and Cressida."
10.15 News on 2.
10.20 The BBC Television Shakespeare: "Troilus and Cressida" (part 2).
11.55-1.35 am Midnight Movie: "Odds Against Tomorrow," starring Harry Belafonte.

LONDON

8.35 am Sesame Street. 9.35 Clapperboard. 10.05 Joe 90. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Angling—The Captain Morgan Cup Final, from the River Bann, Portadown; 1.15 News; 1.20 The ITV Six from Doncaster and Warwick; 3.00 Pool—The UK Championships, from the Cunard Hotel, Hammersmith; 3.45 Half-time Soccer news and reports; 4.00 Wrestling; 4.50 Results.
5.05 Worzel Gummidge.
5.35 News.
5.40 The Pyramid Game.
6.10 Game For a Laugh.
7.05 Punchlines.
7.40 Vegas.
8.40 The Stanley Baxter Series.
9.10 News.
9.25 "Lipstick."
11.05 Johnny Carson's Tonight Show.
11.55 The Palace Presents, starring Ethel Merman.
12.50 am Close: Personal Choice with Gordon Honeycombe.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Clapperboard. 11.55 pm The Amazing Years of Cinema. 12.25 am At The End of the Day.

ATV

9.10 am Clapperboard. 9.40 Chips. 11.00 pm Bravery in the Field. 11.30 Portrait of a Legend: Brenda Lee.

BORDER

9.10 am Paint Along with Nancy. 9.35 The Flying Kiwi. 10.00 Clapperboard. 11.05 pm To Live Again.

CHANNEL

7.40 pm Charlie's Angels. 11.05 Hammer House of Horror.

GRAMPIAN

9.10 am Joe 90. 9.35 A Iomadh Dùthaich. 10.00 Clapperboard. 7.40 pm Hawaii Five-O. 12.05 am Reflections.

GRANADA

9.35 am Joe 90. 10.00 Clapperboard. 7.40 pm The Streets of San Francisco. 11.05 Star Parade. 12.05 am Thriller. File It Under Fear.

HTV

9.10 am Talking Bikes. 9.35 The Further Adventures of Oliver Twist. 10.00 Clapperboard. 12.13 pm HTV News. 5.39 HTV News. 7.40 Hawaii Five-O. 11.05 Bravery in the Field. 11.35 Lou Grant.
HTV Cymru/Wales—As HTV West except 5.05-5.35 pm Ras Sgwar.

SCOTTISH

9.05 am Friends of My Friends. 9.35 A Iomadh Duthaich. 10.00 Clapperboard. 11.05 pm Late Call. 11.10 That's Hollywood. 11.40 It's A Musical World.

SOUTHERN

9.00 am Thunderbirds. 9.57 Regional Weather Forecast. 10.00 Clapperboard. 7.40 pm Lou Grant. 11.05 Southern News. 11.10 Paris. 12.05 am The Electric Theatre Show.

TYNE TEES

9.00 Cartoon Time. 9.10 Moby Dick. 9.40 Thunderbirds. 12.13 pm North East News. 5.40 North East News. 7.40 The Streets of San Francisco. 11.05 The Monte Carlo Show. 12.00 Where Are The Lads of the Village Tonight? 12.40 am Three's Company.

ULSTER

10.00 am Clapperboard. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.43 Ulster News. 7.40 The Incredible Hulk. 9.24 Ulster Weather. 11.05 George and Mildred. 11.35 Bedtime.

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 10.00 Clapperboard. 12.12 pm Westward News. 5.41 Westward News. 7.40 Charlie's Angels. 11.05 Hammer House of Horror. 12.05 am Faith for Life. 12.10 West Country Weather, Shipping Forecast.

YORKSHIRE

9.00 am Mumbly. 9.10 Chips. 10.00 Clapperboard. 11.05 pm Hammer House of Horror. 12.05 am Marie Gordon-Price in Concert.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn. 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 7.30 David Jacobs (S). 8.02 Racing Bulletin. 9.30 Steve Jones' Open House (S). 11.00 The Kenny Everett Bureau (S). 1.00 pm The News Huddlines with Roy Hudd. 1.30 Sport on 2: Rugby Union: The Australians v London Division; Football, second-half commentary on the top game of the day, at 3.55, and News of other matches: Doncaster Racing at 2.30 and 3.00; 5.00 Classified Football results; 3.45 Classified Racing results; 5.50 Latecomers' Football results check. 6.00 Country Style. 7.00 Jazz Score. 7.30 Big Band Special with the Radio Big Band (S). 8.15 Royal British Legion Festival of Remembrance (S). 9.05 Saturday Night is Gala Night (S). 10.00 Nordring 81 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 1.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 6.35 Bach Cantatas (S). 7.30 The Double Man (S). 8.20 BBC Scottish Symphony Orchestra concert, part 1: Vaughan Williams, Rachmaninov (S). 9.15 Interval Reading. 9.25 Concert, part 2: Brahms. 10.00 Cello and Piano recital (S). 11.00 News. 11.05-11.15 Joan Sutherland (soprano) sings Verdi.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week. 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 Medicine Now. 3.30 Profile. 3.50 Enquire Within (S). 4.00 Prefaces to Shakespeare. 4.30 Does He Take Sugar? 5.00 People and Places. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather: Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Elisabeth Söderström recalls places where she has sung. 11.00 Lighten Our Darkness. 11.15 The Burkiss Way (S). 11.45 Places I've Lived, People I've Known. 12.00 News.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown. 12.00 Dave Cash's Cash Country. 2.00 pm Afternoon Delight. 6.00 Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap. 10.00 Roots Rockers. 12.00 Midnight Special.

TV Ratings w/e Nov. 1

TV RATINGS
Week Ending Nov. 1
UK TOP TENS

BBC 1
1 To The Manor Born; 2 Mastermind; 3 Blankety Blank; 4 Top Of The Pops; 5 Juliet Bravo; 6 Tenko; 7 Bergerac; 8 Mike Yarwood In Persons; 9 Dallas; 10 Nine O'Clock News (Tues).

ITV
1 Coronation Street (Mon) (Gran); 2 Coronation Street (Wed) (Gran); 3 This Is Your Life (Thms); 4 Crossroads (Tues) (ATV); 5 Crossroads (Wed) (ATV); 6 Bullseye (ATV); 7 Punchlines (LWT); 8 Bruce Forsyth's Play Your Cards Right (LWT); 9 That's My Boy (Yorks); 10 Britain's Strongest Man (Thms).

BBC 2
1 Des O'Connor Tonight; 2 The Borgias; 3 A Kick Up The Eighties; 4 Playhouse: Mrs Reinhardt; 5 M.A.S.H.; 6 International Snooker (Sun); 7 International Snooker (Fri); 8 International Snooker (Sun); 9 International Snooker (Sat); 10 International Snooker (Sat).

Figures prepared by Audits of Great Britain for the Broadcasters' Audience Research Board (BARB).

U.S. TOP TEN (Nielsen ratings)

1	World Series Game 6 (ABC)	37.2
2	60 Minutes (CBS)	30.5
3	Every Which Way (movie) (CBS)	29.2
4	M.A.S.H (CBS)	28.4
5	Dallas (CBS)	24.8
6	Three's Company (ABC)	24.4
7	World Series Pregame 6 (ABC)	23.9
8	Too Close For Comfort (ABC)	22.6
9	NFL Monday Night Football (ABC)	22.2
10	Laverne and Shirley (ABC)	21.9

CMWYPJCMFWY

CHESS SOLUTIONS

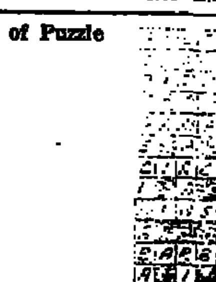
Solution to Position No. 396

A tricky one. Black played 1 ..R-N8 and White resigned seeing no defence to R(1)-N7 mate—but he could have replied 2 BxP! PxB; 3 R-Q6 ch, K-K2; 4 R-Q7 ch! forcing stalemate. So Black's best was 1... R(6)-N4; 2 RxP (B7) when White may be able to draw.

Solution to Problem No. 396

1 B-R1, P-K4; 2 Q-N4, P-K5; 3 Q-N8 mate. If 1...K-B5; 2 Q-QN1, K-Q4 (else 3 Q-N5) 3 Q-Q3 mate.

Solution and winners of Puzzle No. 4,712



Mr A. J. Lander, 15 Rushcliffe Road, Grantham, Lincs.
Dr J. C. S. Holmes, Lowena, Liskeard, Cornwall.
Mrs P. Feldhuhn, 277 Beverley Road, Kirkella, Hull.

WINE/COLLECTING

Don't forget the lesser vintages

BY EDMUND PENNING-ROWSELL

DURING a recent visit to Bordeaux I tasted or drank wines in 30 châteaux and wine merchants' cellars. The great majority were, of course, young wines: 1980s, 1979s and 1978s, and most, though not all, were of the level of classed-growths, if not, in fact always classified. They included clarets from the Medoc, Graves, St-Emilion and Pomerol. Among the Graves were also examples from that small band of estates that make distinguished dry white Graves, as well as the Ch. Margaux Pavillon Blanc of Ch. Margaux that carries an *appellation contrôlée* no higher than Bordeaux Blanc, though this is scarcely a reflection of its fine quality—or its price.

Tasting in particular the neglected, even despised, 1980 clarets and the initially at least somewhat passed-over 1979s (following as they did the acclaimed 1978s), it occurred to me that we need to revise our vintage "ratings." For the criteria of the past do not always fit the conditions of today: neither in the vineyards and the growers' cellars nor at our own tables.

What, traditionally, has been the criterion of a "great" or "very good" vintage? The emphasis has practically always been on one that will improve and repay keeping for a longer rather than a shorter time. Looking back this century the years '20, '24, '26, '28, '29, '34, '45, '47, '49, '52, '53, '59, '61, '66, '70, '75 and '78 are those that come to mind, albeit not from every district in all years.

At one time by some experts the '29s was down-graded compared with the '28s on the ground that they would not keep.

Such evaluations had some validity in the days when the majority of serious claret drinkers either had cellars themselves or the facilities (often without charge) of their merchants' cellars. Claret of leading vintages was laid down for drinking years ahead, alongside the vintage port. Almost certainly in the older days, and even up to the last 20 or so years there was a much bigger gap between the good and bad years. It is difficult to believe that a succession of three such terrible years as '30, '31 and '32 could occur today. (On my last visit I drank Lafite 1931. It was opened only because it was the birth-year of my host: the only excuse for a maderised, decayed wine; just drinkable but interesting.)

Techniques both in the vineyard and the cellars have improved immeasurably. One only has to recall that the second, malo-lactic fermentation of wine was an unexplained, uncontrollable phenomenon until after the last war. Very recently new anti-rot sprays have been developed, and certainly these saved the 1980 vintage, and maybe much of the 1981 too. I saw many loads of perfectly healthy grapes coming into the press-houses after quite heavy rain.

That is not to say that nature has been conquered, as the varying fortunes of the latest vintage may show. Years like '63, '65 and '68 may still recur, but I have drunk one or two acceptable bottles of even the heavily castigated, acid '72. No very drinkable wine will be produced in a really cold, wet summer culminating in a rain-swept vintage.

Yet there are Bordeaux vintages that would have been shrugged off not long ago, but are perfectly acceptable for those looking for clarets of a certain distinction that can be drunk four or five years after the vintage: and for the *petits châteaux* even sooner, as they do in France. For example, the prolific, rain-diluted '73s made unexpectedly agreeable drinking after about five years; and some still do today.

I am not so sure about the '74s, as most seem hard and lack charm, but maybe they will develop. Originally they were cheap enough. The '77s seem to me rather meagre, but I have not met many. No doubt the '78s are superior to the '79s, though there are exceptions, especially in St-Emilion and Pomerol, but it will be years before they are really ready, whereas the lighter, fruity and charming '79s will surely come round much earlier.

Further, I was agreeably surprised this time by many of the '80s. Certainly they have improved since I first met them in a London tasting five months ago; but also, cask samples are unreliable even a few miles from their source, let alone after crossing the Channel. Obviously the wines vary, even among the classed growths. What one looks for is a good colour, a fruity not too "sweetened" bouquet, and in the mouth some fullness and sweetness rather than bitterness. As yet they have hardly been bought by the British wine trade, so there is no point in giving names, but they are worth looking out for.

The '79s were more widely acquired, although somewhat *tardily*. Since they were less good than the '78s, it was argued, they should be cheaper; forgetting that there had been at least 10 per cent inflation in France, and probably more in the intervening 12 months. Some were a little cheaper, but on the whole previous prices were maintained, and so they were with the '80s, whose reception was so negative that most of the châteaux delayed offering their wines from the spring to the early autumn. If the prices were much the same

as for the '79s, the later sales resulted in more extended credit terms, stretching well into next year.

Among the British wine merchants' list before me the following show a good range of 1979 clarets: Adnams of Southwold, Avery of Bristol, Corney and Barrow of Helmet Row, EC1, Dolamore of Paddington, Justerini and Brooks of St. James's Street, Laytons of Midland Road, NW1 (a few), Lay and Wheeler of Colchester and Tanner of Shrewsbury.

An encouragement to buy these two vintages in the expectation of fairly early drinking may lie in the prospect of a considerable price increase for the 1981s: after three years of stability, a rise of 25 per cent was forecast to me from several sources: and even higher.

When buying lesser vintages, however, one must be warned against buying too low in Bordeaux's social scale. No doubt the Bordeaux Supérieurs and Côtes de Bourgs appearing on lists here will have been carefully selected from a much wider range, but it is in such vintages that the gap between the top of the scale represented by the classed growths and leading *crus bourgeois*, and the lower appellations will be most obvious. The top two or three hundred estates can afford the expensive treatments in the vineyard, the well-controlled fermentation, the new oak casks and, above all, a careful selection of the wine to bear the château label. The new anti-rot treatment costs £120 a bag and must be done four times to be effective. A new Limousin oak cask costs £1,150, plus VAT, and this year at Mouton-Rothschild they have 1,000.

The lesser, and usually small growers cannot afford such things, and reputation means less to them than cash in hand. This is not to say that the general level of wine-making has not improved greatly in Bordeaux, for it has: not least in the co-operatives. But whereas in a widely acclaimed year, it is reasonably safe to buy by the vintage, much more careful selection is needed in what are still called "off-years." It is not enough to rely on the old tag "some good wine is always made in bad years."

The aim here is not to denigrate the accepted great or very good vintages, but they are usually for the long haul that many of us, for one reason or another, cannot afford. Instead we should take a closer look at the second rank, which in a shorter run may give no less pleasure.

The wine column will appear fortnightly on Saturdays.

Past images

BY JANET MARSH

Sir Edward John Poynter "A Roman Boat Race," 1889

ONE OF THE incidental pleasures of following the London auction rooms is the never-ending series of accidental art exhibition fleetingly thrown up by the picture sales. Occasionally these random samplings of paintings, good, bad and middling, can suggest patterns and connections in art history that might not emerge in more purposefully organised collections.

Currently, for example, Sotheby's have on view an exceptional sale of "Important British Paintings and Drawings from 1840 to 1960" which will be sold on Tuesday in a special evening auction. The date-lines, taking in the last 60 years of the nineteenth century and the first 60 years of the twentieth are novel for the salerooms; and in displaying the pictures the auctioneers have been at pains to group them chronologically and stylistically.

The particular theme that emerges from this 124-picture panorama is the changing attitudes of British painters towards the past. Painters since the First World War seem, it is true, to have had no attitude towards the past at all, at least in their choice of subjects. Unless committed to calenders and chocolate boxes, no self-respecting easel painter of the last half century would have dreamed of painting a costume picture.

In the Victorian era it was very different. Indeed, looking at Royal Academy catalogues of the 1850s and 1860s you might think that painters never thought of anything but the past in choosing their subjects. Looking back from the perspective of 1860 at Turner's "Rain, Steam and Speed," painted in 1844, a writer in the *Art Journal* could be astonished that any painter should have approached so violently modern a subject as a railway train: "If one of the founders of the British school of painting, or indeed any artist who lived prior to the last 30 or 40 years could rise from the grave . . . the subject would defy all comprehension." For that matter of course, such visitors from the grave might have been no less bewildered by the Victorians' idyllic fantasies of their past times.

Passionate as it was, this preoccupation with themes from the past seems to be a phenomenon of art history entirely isolated to this period. The 18th century, of course, had been fascinated by the classical world; but when Georgian painters recorded this fascination it was generally to depict present-day *survivals* of the past—ancient ruins peopled by tourists in the costumes and self-confidence of the 18th century.

The 19th century urge to recreate the image of the past as it was had a distinctly literary inspiration, and a number of the costume pictures in the Sotheby sale—Maclise's "King Cophetua and the Beggar Maid," Frith's "A Stage Incident in 1750," Eyre Crowe's conversation piece of Pope, Dryden and their circle at Will's Coffee House—are tagged, in the mode of the time, with precise literary quotations.

The literary giants of the century—Scott and Byron at its start; Tennyson, Dickens and Thackeray at its middle—had all turned to history or legend for some of their favourite works, and now infected painters with their interests. At the same time enthusiasm for Shakespeare never flagged between the two Shakespeare Jubilees of 1764 and 1864.

Apart from literature, all sorts of quite incidental events seem to have sustained the Victorian painters' archaeological curiosity. The rapid succession of Coronations in 1820, 1830 and 1837 stirred a new interest in the pageantry and archaic costumes and uniforms.

There was a further impetus to history painting in 1841, when, following the destruction of the old Houses of Parliament, a Select Committee launched a national competition for designs for the frescoes of the new buildings, specifying that the subjects must be chosen from British history, Shakespeare, Spenser or Milton. During the following decade, Charles Kean's lavish productions of Shakespeare at the Princess's with their special concern for archaeological precision of costumes and settings, employed a whole succession of painters, evidently inspired a great many more.

Sotheby's collection records several stages of this Victorian love affair with the past, and the changing periods that in turn captured the imagination of successive generations. Eyre Crowe, Frith, Egg and the founders of the Clique in the forties seem to have been specially drawn by the elegance and order of the 18th century, though already the 17th century and the Cavalier period had proved its charms.

Soon however, the medievalism of the Pre-Raphaelites and the sway of Tennysonian romance together drew painters back to earlier and legendary times: among the Sotheby pictures is a colour trial for one of the last major flowerings of Tennysonia, Burne Jones's "Arthur in Avalon."

By the '70s and '80s the emphasis had shifted again, with Poynter, Alma Tadema, Albert Moore and Waterhouse leading the fashion for the ancient world and a mixture of the architectural and erotic that the Victorians evidently found quite potent. (Apart from fine examples of Waterhouse and Poynter, Sothebys are selling a surprising early picture by John Atkinson Grimshaw, "An Ode to Summer,") in direct homage to Alma Tadema.)

The last Victorians fell victim to various celebrations and centenaries, which were duly reflected in brief flurries of art fashion. The French Revolution — already popularised by *A Tale of Two Cities* —came into new vogue in the '90s; while the Nelson Centenary of 1905 suggested new patriotic and nautical themes. The Edwardians found some sort of kinship with the (imagined) elegance of Regency bucks and ladies.

The Academy of 1893 seemed a high point: the annual *Royal Academy Pictures* felt it necessary that year to provide a section of historical and literary notes to pictures which included the Hon John Collier's enigmatically titled "A cup of wine with Cesare Borgia."

Perhaps the most curious aspect of this long and curious episode in English painting was the suddenness with which it ended, with the World War as the apparent watershed. Reality, it seemed, had overtaken the painters; and the past was at last forgotten.

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A chill wind from the U.S.

WITH THE BL strike resolved almost before it had started; with a constructive and forceful tone from the CBI conference at Eastbourne, with a confident performance from the Prime Minister in the Queen's Speech debate on Wednesday and even, to cap it all, the announcement of a Royal baby on Thursday, it was easy to understand the good cheer that spread through the City and financial markets this week — taking the FT 30-Share Index above 500 on Thursday for the first time since the black days of late September.

Behaviour

Admittedly, the markets came back quite sharply yesterday as the lucky stags in Cable and Wireless took their 20-odd per cent profits; the rumoured bidders for P&O failed to materialise and gilt-edged investors took fright at the behaviour of the bond market in Wall Street. But looking below the surface of the week's big events, there was plenty of economic news to keep both the bulls and the bears happy.

On the domestic monetary front, the Public Sector Borrowing Requirement was confirmed as being roughly on target for the £10.6bn set in the Budget, in spite of the trials and tribulations of the civil servants' strike, the depth of the recession and the continuing overshoot in public spending. While this does not seem to be helping much in the control of the money supply on the Treasury's chosen definition, the view seems to be spreading, both in the markets and in Whitehall, that it is the letter rather than spirit of the Medium Term Financial Strategy which is being broken by the persistent recalcitrance displayed by sterling M3 ever since the present Government came to office.

There are still plenty of gilt-edged analysts who are fretting about the level of the PSBR—if not for this year, then for next. And even those who regard the prospects for the PSBR as reasonable are not very encouraged by the idea that a respectable figure may be achieved only as a result of an inflation-induced boost to revenue compensating for the over shoot in public spending.

The Treasury can only be grateful for the markets' concern just at the moment, since it is fighting the spending departments in Cabinet over next year's public expenditure programmes. As anxiety about the Conservative Party's electoral chances intensifies, Treasury warnings about the effects of public spending and borrowing on market sentiment and on interest rates may seem more plausible than threats of further punitive tax increases to pay for overspending on departmental budgets.

The growing conviction in the markets has been that the performance of share and gilt-edged prices and even the prospects for an economic recovery are now more likely to be shaped in Washington and New York than in Downing Street. As worries about the British PSBR and money supply have diminished, investors have become increasingly preoccupied with the U.S. budget deficit and the conduct of U.S. economic policy generally. In these matters the bears are finding plenty of ammunition.

Although prime rates in the U.S. have continued to fall—from 20½ per cent in late August to the 17 per cent set by some banks this week—forecasts of the budget deficit have risen relentlessly ever since President Reagan got his tax and spending cuts through Congress. Talk of a deficit of $80bn and even $100bn for fiscal 1982 is now commonplace. The contrast between these figures and the Administration's official forecast of $43bn makes even the Thatcher Government's early fiscal troubles pale into insignificance.

To make matters even worse, at least from the point of view of the fiscal conservatives, President Reagan's version of a medium-term financial plan appears to set further tax cuts as its primary objective, in contrast to Mrs Thatcher's strategy, which made it clear that tax cuts would only come as a reward for hitting the other targets. Thus the President's original promise of budget deficits shrinking away to nothing by 1984 is now mentioned only by the most faithful (some would say gullible) of the President's "supply-side" supporters.

Deficits

The question begged by all the talk about setbacks to the President's economic strategy is whether they really matter. There are economists on both sides of the Atlantic who believe that, in relation to the vast U.S. economy, the sort of deficits that the U.S. Government looks like running may not be all that excessive while the economy is in recession. The supply-siders believe that they will be eliminated quickly as the economy recovers.

What neither supply-side nor traditional Keynesian economics allows for, however, is the effect of a very tight money supply target resulting in high interest rates. The interaction between a tight monetary policy and a lax fiscal policy is not adequately analysed by any economic theory. The world can only hope that the experience of this policy mix will not be as damaging in the U.S. as it has been in Britain over the past two years.

AFTER THE BL DISPUTE

Sir Michael's next challenge

By Arthur Smith, Midlands Correspondent

FOR THE fourth successive year Sir Michael Edwardes, chairman of BL, has imposed a single-figure wage award on a resentful workforce.

But the depth and extent of opposition to his style of management, according to the unions, has shaken the chairman and may yet force a long-term change of attitude. Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, and normally an ally of the chairman, thinks it significant that this time Sir Michael returned for more talks last weekend even after he had issued a "final offer."

Indeed, in the 13 hours of crisis negotiations last weekend at which a peace formula was devised, Sir Michael himself talked of "an adjustment in the manner in which we do things." He spoke also of management style and the need for "increasing employee and union involvement in our affairs."

It was promises such as this which the unions took back to the workforce and seem to have persuaded them to end the dispute. For Sir Michael refused to give ground on the basic 3.8 per cent wage offer and made only a marginal improvement on fringe payments. And it remains to be seen how far the promises will be translated into reality.

The apparent ease with which Sir Michael continues to outmanoeuvre the trade unions and overturn the recommendations of the once-feared Leyland shop stewards owes much to the failure of the unions to adjust to the changed bargaining structure.

> Workers identify with their own plant, not with BL Cars

Central negotiations, covering the company's 30 plants and 58,000-strong workforce, were introduced four years ago. But the unions, divided against one another and caught in a clash between shop-floor power and the role of full-time officials, remain in disarray.

This year's troubled negotiations were conducted by an ad hoc body, which, after 12 months of wrangling, failed to achieve agreement between the unions on how they should be represented. But this statement is also a reflection of deeper divisions.

BL Cars is a collection of once fiercely independent companies forced together by a process of mergers and acquisitions. Each plant has its own individual shop stewards' organisation—men who gained experience in the days of hard-bargaining under the piecework system. Negotiations took place on the shopfloor; the stewards looked after the men and any intervention by full-time officials was resented.

Ashley Ashwood

Workers identify with their own plant, not BL Cars—a trend underpinned by Sir Michael's decision to restore the old names, such as Austin and Morris. The fact that the controversial incentive scheme is calculated on a plant rather than company-wide basis also means that workers still look to their own shop stewards' organisation to boost earnings, not the central negotiating team. Inter-plant rivalries and jealousies thus continue.

Moves by the trade unions to link the interests of their members across the company have so far been totally inadequate. The Transport and General Workers' Union, which claims 60 per cent of the workforce, and the Engineers as the next biggest union, resort to ad hoc meetings of senior shop stewards. At times of crisis, such as the last few weeks, the 350 senior stewards from all unions gather to discuss strategy. But representation is on a hit-and-miss basis; big plants, like Longbridge, with 15,000 workers, may have fewer delegates than a components factory, with perhaps 600 employees.

The trade unions are fully aware of this and suspect that management will exploit their divisions. Rivalry is keenest between the Engineering Union, which broadly represents the skilled men, and the Transport Union, which claims the production workers. Mr David Buckle, Oxford district secretary of the Transport Workers' maintains that the recent labour cutbacks at the Cowley complex have meant a reduction of only 4 per cent among skilled workers but a drop of at least 25 per cent in other grades.

Faced with this inter-union confusion, Sir Michael is in a strong position. He has been given full public support for his tough line from the Government, many of whose supporters think it might anyway be a good thing to split up the cars empire.

Company chairmen in the private sector, sensitive to share price movements, express envy at Sir Michael's freedom to spell out the options. The negotiating atmosphere, with heightened fears of unemployment, contrasts starkly with that just before his arrival. Then, a management appointed to expand output, reported to a Labour Government elected with the support of the trade unions, committed to extending worker-participation.

Sir Michael has used a variety of means to get his way when the official cars negotiating machinery has broken down and each time the credibility of the negotiators and the shop stewards has been undermined. Sometimes he has appealed over the heads of the unions to the workforce through a secret ballot. More frequently, he has called in national union officials for crisis talks. This time it was not enough to summon just the top men from the Transport and Engineering unions. He had to appeal to Mr Len Murray, general secretary of the TUC, and eventually to involve the Advisory Conciliation and Arbitration Service not to mention Mr Michael Foot, leader of the Opposition.

This time, again, the effect was the same. The divisions within the union movement were exposed. By Tuesday morning workers at mass meetings who had walked out on official strike only the previous day were confronted with conflicting advice from Sir Michael, the general secretaries of their unions, and their own shop stewards. A strike that had appeared to be solid collapsed overnight.

In the talks at ACAS Sir Michael stressed the need to "avert the sourness over the next weeks and months." But whether that is possible hinges on progress in areas where the unions believe Sir Michael has indicated movement is likely: reform of the bargaining structure: greater involvement for workers; "localisation" of the incentive scheme and a change in the style of management.

Sir Michael himself has called not only for a new procedure agreement, but also for a central negotiating body to act as "a forum for all strategic discussions."

All of this has left the shop stewards with a deep suspicion that the company is trying to maintain their isolation and concentrate bargaining power with the full-time officials. A more immediate problem is the insistence of the TGWU that, with 60 per cent representation of the workforce, it should have at least half the seats on any negotiating body plus the chairman's casting vote. So far, the union has argued that the composition of the new body must be agreed before any discussion on procedure. The ACAS agreement suggested "the assistance of the TUC" might be sought, but it seems unlikely the Transport Union would accept it.

The scepticism of shop stewards about the related issue of greater union involvement is expressed by Mr Harry Urwin, former Deputy Secretary of the TGWU and the architect of the BL worker participation scheme adopted under the Ryder Recovery Plan. The plan developed after BL's rescue in 1976 by the Labour government had ambitious output targets. But they were eventually abandoned because of BL's poor performance in the market place.

"It does not matter what system of employee involvement you erect, success depends upon the good faith of management," he says. The 1976 scheme had fallen into disuse because management lacked the will to make it work. "The issue of involvement is a red herring. The machinery is already there. It was agreed by Parliament, by both sides of the House."

But the key issue for the unions is, as it was last weekend, what concessions is BL prepared to make on the controversial bonus scheme? The company has conceded that because the bonus is calculated on output for a plant as a whole rather than on performance by an individual or a group, the relationship between effort and reward is remote. It has offered to move "gradually and acceptably towards the localisation of incentive payments."

"What that means, nobody knows," said Mr Jack Adams, the Longbridge shop sterwards' convenor, last week. But he suggested it could involve relating payments to output of particula models or sections of workers.

Such a radical move seen unlikely, however. For BL th advantage of a plant-wi calculation is that it gives tot control of costs, preventing co peting claims between differe groups of workers. It is a cru scheme whereby if output down for whatever reason—track breakdown or shortag of components—the bonus lost.

To localise the scher further could run the risk of drift back towards the inflatic ary piecework system und which different groups engag in leapfrogging pay demand Professor William Brow director of the Industr Relations research centre Warwick University, sa studies made when he w attached to the old Prices a Incomes Board suggested th such schemes caused mo labour troubles than th solved.

There were twin problems measuring the contribution particular groups of work and attributing blame if outp were down for any reas Employees might accept t rough justice of a plant le scheme but tended fiercely contest any loss of earnings their section if it was caus by factors outside their contr such as breakdowns materials shortages.

It is difficult to envisage t the managers appointed by Michael to wrest control of assembly lines from the sl stewards and reassert mana ment authority will be will to change. Typical of the r breed is Mr Andy Barr, Mar

> The need to 'avert the sourness' over the next few month

ing Director (Operations), L Medium Cars Group.

Explaining earlier this y the record productivity achie at Longbridge, he declared: is absolutely unacceptable manage through the unions do ask their advice, but whether I can do something not. Management is paid take the decisions."

Sir Michael himself told unions during last weeke negotiations that because of need to enforce rapid cha "we have not always been to do everything in a way w or you—would have preferr

He added: "We are re moving to a new phase in recovery of the business it seems to us that we m establish the right mechani to accommodate an adjustm in the manner in which we things". After four years which he has pushed thro radical changes Sir Micha next task is to set this challe before his management te without forfeiting "mana ment's right to manage" which he puts so much stor

Letters to the Editor

United Nations

From Mr R. Campbell

Sir,—Mr Lewis (October 31) could surely have been more accurate. He first claims that the UN is a travesty of the hopes of its founders; I would suggest that it has more than lived up to reasonable expectation.

Some certainly aspired to such ideals as the Bruch Plan: how many seriously hoped is another question. "Tiny countries . . . have the same vote as a country like Britain." Has Mr Lewis not heard of the Security Council?" The politics are dominated by anti-colonialist, Arab nationalist ideologies:" so are world politics.

No-one can claim that the UN is without problems. The dichotomy between those rich, powerful, thinly-populated countries among the Security Council permanent members and the General Assembly, powerfully illustrated by "Uniting for Peace," is one such, but it is a problem that is an accurate reflection of the world.

The aims of the UN, and the means to them, are very possibly more gentle, more devious, less spectacular, and more practical than those Mr Lewis has in mind. It is a shame he cannot bring himself to be more cheerful that "the UN still has, in the minds of many people, the moral authority and sanction which it commanded at its foundation."

Roderick Campbell.
Yorks Hill Farm, Ide Hill, Sevenoaks, Kent.

Farming

From the Director of Information, National Farmers' Union.

Sir,—Chris Dunkley's thought-provoking article, "Signals to the left," (October 28), was, by coincidence, published two days after a BBC2 Horizon programme which strongly exhibited the bias of which he wrote.

The programme, "Butterflies or Barley?" set out to highlight areas where modern farming is said to be in conflict with wild-life conservation. Just as, in Chris Dunkley's words, Newsnight's report on oil companies failed to put over the point that viewers might welcome the supply of oil, so Horizon failed to suggest that there might be advantages in having a sufficiency of food and an increasing self-sufficiency at home. Coming in the same month that saw bread rationing introduced in Romania, reports of a massive shortfall in the Russian harvest and the continuing food shortages in Poland, one would have though even the most biased commentator might have made the connection!

The "Horizon" programme was technically very well produced, some of what it actually showed was accurate, despite some obvious canards, and it did make a very small attempt to show that the producer did not consider every farmer to be a vandal. Nevertheless, it was clearly written from the point of view of one side only and managed to show its case in such a way that the non-specialist viewer would be forced to one conclusion—that the wicked farmers are in the last stages of burying ye olde England under a dustbowl.

On this particular programme, the chairman of the BBC is reported to have said that "questions will be asked" but in general it is disquieting that TV reporting should be losing its credibility and the BBC its reputation for impartiality, at a time when society is facing so many complex issues.

Richard Maslen.
Agriculture House, Knightsbridge, SW1.

Rugby

From Mr R. Ashby

Sir,—The statement (October 31) from Air Commodore Bob Weighill, Rugby Football Union secretary takes some swallowing. Has it gone unnoticed by the board how the official England team trainer always carefully turns his medical bag towards the TV cameras advertising a well known sports equipment manufacturer? Watch the next international and you will see! Who receives the royalty for that showing?

I didn't notice Union officials refuse the gifts of fine cognac presented after an official dinner given by the French in Paris after an international either.

Why cannot those in the ivory towers of Twickenham be more realistic before they so swiftly censure a player like Mike Burton who has given so much time to the sport and pleasure to millions of its followers.

R. E. Ashby.
"Torgarth," High Street, Sidford, Devon

Pensions

From Mr W. Tomkins.

Sir,—In your issue of June 4 you included a news item to the effect that Ford of Britain had told its 14,000 pensioners it could not afford to "top up" their payments this year. In so far that Ford profits for 1979-80, at £551m after tax, were higher than total earnings in the previous 20 years, and an increase of 20 per cent to pensions in payment would only cost £1m per year then the reason given was to say the least, dubious. The company has now stated increases will be made to pensions effective January 1, 1982. Former employees who retired in July 1977 and have experienced an increase in the retail price index of 64 per cent will receive a welcome, if belated, first increase in their pension. It is to be hoped any other employer who may have taken a lead from Ford in this matter will also review policy regarding post award pension increases.

In your issue of October 17 Mr Eric Short stated "If company schemes fail to maintain the real value of pensions they are failing in their main purpose which is to ensure that employees have an adequate income during retirement . . ." Later in his article Mr Short wrote, "High inflation rates, of course, have been accompanied by high investment returns, but the investment profits have been used to keep down the employers' contributions, not to improve pensions." Quite so . . . with pay increases likely to average 5 per cent in the current round and pensions fund investments yielding 17 per cent then positive rates of earnings will be at the highest level ever. Thus a golden opportunity exists to restore fully the purchasing power of pensions to the award level and for the foreseeable future to maintain this position. It is to be hoped all responsible employers will give serious consideration to this matter and take the opportunity which current circumstances offer to mitigate, to some extent, the grave social problem of poverty in old age.

W. F. Tomkins.
11 Nelmes Close, Hornchurch, Essex.

Lloyd's

From Mr O. Carruthers.

Sir,—Mr Franklin (November 2) raises certain points about the validity of comparison of syndicate results at Lloyd's which we have published. The compilers would be the first to admit that one year taken in isolation is not particularly meaningful. But it is to be hoped that once two or three years are completed, clear distinctions would begin to emerge between the perfomance of syndicates.

Mr Franklin suggests that the the tables do not reflect the actual line that a name is writing on a paticular syndicate; this is true, but it does not distort the resultant figures used for the comparisons, since they are expressed as percentages of the total premium income. The compilers, however, do recognise the importance of a name knowing his return in money as well as percentage terms but consider that this is best shown in a separate table which they intend to produce in the future.

There is an obvious difficulty in trying to reflect the reserves a syndicate is carrying without knowing the type of business it is writing. Unfortunately it is not possible to expand upon the figures shown for reserves against outstanding claims without a more detailed knowledge of the break-down of a syndicate's business than is usually shown in the accounts.

One of the compilers' reasons for producing these tables is that they find that those names who take a discerning interest in Lloyd's frequently complain of not being able to understand their underwriting accounts and of the lack of explanatory support to those accounts. They consider these tables are better than nothing, but it might be preferable that the Committee of Lloyd's and the Panel of Auditors produce new standards of disclosure about syndicate accounts. This is really no more than the policy mooted in the Fisher report.

O. C. Carruthers.
Chatset.
Wheatsheaf House, Carmelite Street, EC4.

Incentives

From Mr E. Whiting

Sir,—Returning from abroad, I welcomed again the Financial Times with the issue of October 29. I opened the paper at "Letters to the Editor" and my eyes alighted on a letter from Mr Walter Goldsmith advocating cuts in income tax in preference to cuts in employers' national insurance contribution. At the bottom of my bag was the last issue I had seen, September 3, also containing a letter from Mr Goldsmith on the issue of monetary incentives; next to it there was a letter from Mr P. Whyman arguing the case for abolition of employers' NI contributions as a convincing measure to restore employment and revive the economy (as I have argued also myself).

While away, I visited Japan, Hong Kong and Singapore. In Japan I was extremely fortunate in being able to talk to many people in universities and in industry and commerce. Much of the Japanese success, I concluded, is due to their history, tradition, culture and even language, the ingredients of which cannot be exported. But it should be possible, I thought, in Britain with powerful methods of changing atmosphere and opinion available, to remove from the centre of the stage the idea that all people work for is money.

In Japan it seemed that money earned was little criterion of success. The incentive is more in the shape of appreciation, promotion, achievement, success of the company, beating the competition, market share rather than profit, success of Japan as a nation. In Singapore there seems to be a confident community spirit which has faith in itself. Individuals seem inclined to submerge their short-term desire for gain to the benefit of the nation as a whole.

We know here that management control cannot be carried out on the basis of short-term monetary incentives alone. It requires to be accepted, to be understood, to be seen to be fair, to be reasonably stable, to carry the kind of atmosphere in which it feels as though the whole system can work without it. It has to be subtle and not obtrude on the operations under control.

Whether Mr Goldsmith or Professor Reddaway is right about the effect of monetary incentives on managerial performance may be debated for many years. It depends very much on the economic and social climate. We should stop being introspective, endeavour to demonetarise our incentive systems and concentrate on the long-term general good rather than our own short-term reward. Then taxes might be lowered or raised to match the exigencies of the economic situation, with little effect on incentive at all.

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Carla Rapoport reports on Britain's boat-yards in the week that Westerly Marine Construction called in the receivers

Britain's boat-builders all at sea

SAILING IN Britain, it has been said, is like standing under a cold shower tearing up five pound notes. Make that ten pound notes. The painstaking nature of building boats, the long-standing strength of sterling and soaring costs in the last 18 months have combined to hobble Britain's boat-building industry in the present recession. From the Cote d'Azur to the Clyde estuary, fewer people have been able to buy boats: the result has been a sharp contraction in UK boat sales and a collapse of the country's exports.

Earlier this week, the slump claimed its largest victim to date: Westerly Marine Construction, one of Britain's biggest manufacturers of sailing yachts and a major exporter to Europe.

Its export business carried it through the mid-1970s

Westerly was founded in 1963 by Commander Denys Rayner, author of The Enemy Below and a boat designer himself. His first boat was a duck-shaped, gunter-rigged 22-footer which sailed like a lighthouse, the Westerly 22. Soon, however, Westerly became a pioneer in Europe in the flow-line construction of glass fibre boats.

It quickly built itself up into the largest UK boat-builder, with a worldwide reputation for solid, safe cruising boats sold at competitive prices.

In the "export or die" era of the late 1960s, Westerly was among the early pioneers who took themselves abroad to foreign boat shows and built up a European and American agents' network and its successful export business carried it through the mid-1970s despite the Wilson Government's imposition of a 25 per cent VAT rate on an industry already struggling with the consequences of the first oil shock.

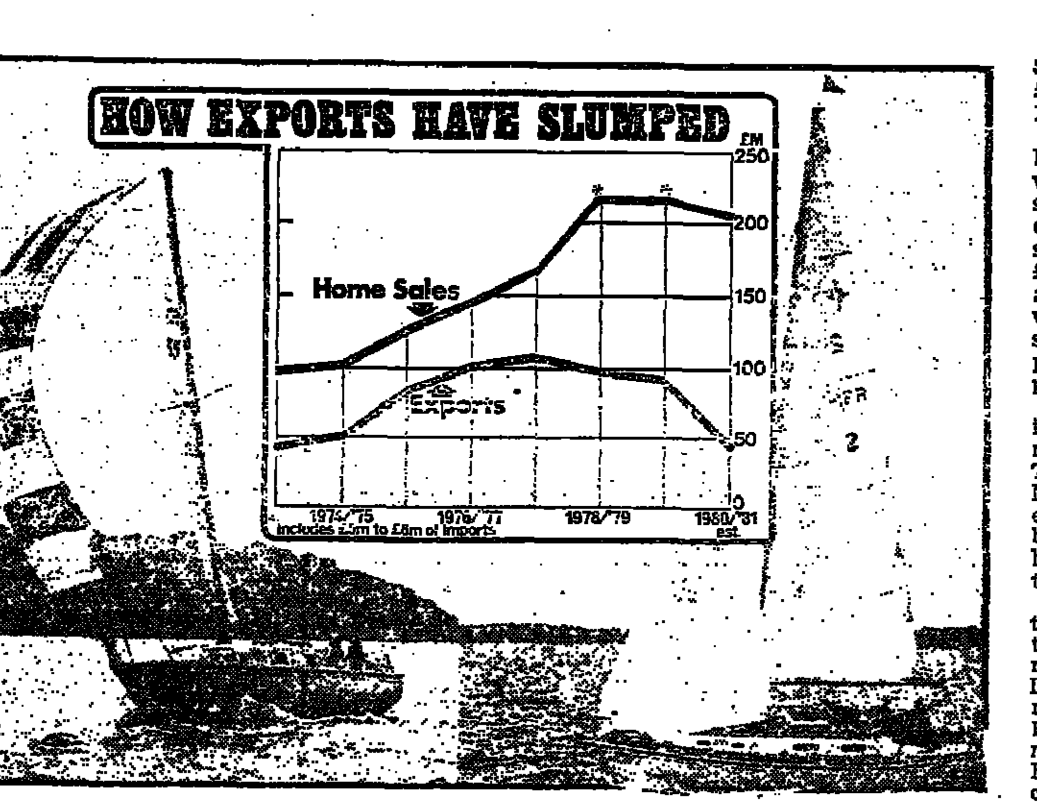
By 1979, Westerly's best year, 55 per cent of Westerly's £11m sales were in exports. But Westerly could not compete against its foreign competitors at last year's levels of sterling. In the course of 18 months, Westerly's exports fell to 5 per cent of sales, which themselves declined by 50 per cent.

This collapse followed hard on the heels of a 1979 decision to change models and introduce a bit more racing performance into its range. It landed the licence to produce the popular U.S.-designed J-24, a racing boat, and also opened production of a snappier cruising boat, the Konsort W29 designed by Laurent Giles. As it turned out, the hefty investment and added debt took place just as the recession started. Evanescent demand and the strengthening pound soon slaughtered exports and the company's debt—which eventually climbed to £4m—was becoming increasingly difficult to service. Westerly also incurred heavy redundancy costs when it shed half of its workforce in its efforts to slim down.

In retrospect the decision to push ahead with two new models at this time was a risky one that did not pay off. It added a whole range of start-up and financing costs to an already precarious situation.

"There has been an uncanny set of bad timings which hit this firm," says Mr David Sanders, who had been managing director of Westerly for 15 years.

"In September 1980, sterling went up 7 per cent against the D-Mark and it murdered us. Then, in Dusseldorf, in January 1981, the D-Mar hit five to the pound and our export trade was cooked." he said.



Graham Lever

Turning its energies to the home market, Westerly pulled out all stops for the Southampton boat show last September. "On the first day of the show interest rates went up 2 per cent. On top of higher costs for boat loans to UK purchasers, foreign buyers feared the move was in defence of the pound and just stayed away." The company managed to book orders for 31 boats, but it wasn't good enough. The increased interest payments on its mounting debt burden proved overpowering.

Earlier this year, the company had worked out a survival plan with its bankers, Barclays, but following the Southampton boat show this year, the directors and the bank agreed that a receiver be called in. On the day the receivers arrived, however, Burmese teak cabinets were being fitted into the cabins of the rows of sumptious yachts still being kitted out in the Waterlooville, Hampshire, yards. According to all concerned, every effort will be made to keep the scaled-down production steady and preserve the company as a going concern.

Mr Sanders, a former mill man with Reed International, has the sea legs of a man who has lived through a fair number of squalls in the heavily cyclical boat building trade. Speaking in his large, but unadorned office, he said: "Three weeks after I arrived here, the accountant came in and said the company was bankrupt."

Those problems were sorted out through a series of equity injections and by the late 1960s, Mr Sanders had bought 26 per cent of the company which was worth £18,000, the ICFC had another 30 per cent and two private investors held the balance.

It has been Mr Sanders policy to export the company out of the various recessions since then. Export figures for the industry as a whole, however, show what Westerly was up against in the late 1970s. According to Customs and Excise figures, British exports of both power and sail boats to West Germany dropped from £9.4m in 1978 to £4m in 1980. Sales to Holland plunged from £11.6m in 1978 to £2.76m in 1980.

At the same time, sailing boat turnover in the UK proved vulnerable to imports. Although still a small percentage of the overall market, imports of sailing boats jumped from £3.2m to £5.4m between 1978 and 1980. The French led the way, increasing their market share from 11 per cent to 25 per cent in the same time period.

Although Westerly's collapse is the largest so far, it is by no means an isolated event. The Ship and Boat Builders National Federation (SBBNF) estimates that the total number of boat-builders in the UK has shrunk by 25 per cent in the last 18 months.

In its six-monthly review of the boat-building industry throughout Europe, the International Council of Marine Industry Associations (ICOMIA) reported last month that Britain "has probably suffered more than any country in Europe from the general uncertainty of the national economy and violent changes in interest rates and exchange rates." This had led to a lack of confidence among buyers, it says.

The report describes the British domestic market as "not good," because of little or no movement in the second-hand market, and shortage of berthing space and moorings at a price the first-time buyer can afford. "There is a general inclination of consumers to wait until the economy settles down before buying a boat," the report says.

Boat-building elsewhere in Europe is faring somewhat better, with some upturn in France, Holland and Finland.

Fairline Boats, a Peterborough boat builder which went public in 1979, registered its first loss in the six months to March 1981. Mr Sam Newington, the chairman, says the company managed to hold on to its export market by taking a loss in guaranteeing exchange rates. "We had to hold on, we couldn't have sold those boats in the UK," he said. With the weakening of sterling since, he says there is the beginnings of a pick-up in the export market.

"In August 1980, we had no order book. Today, our order book looks reasonably healthy," Mr Newington said.

Others who have survived the crunch are making similarly hopeful noises. Marine Projects, a division of the Renwick group, has managed to pull through on the strength of its luxury boats.

Pound and interest rates were too unpredictable

"Even in a recession, the people with money still have it," says Mr David Mouland-Begbie, international sales manager of the group. He says their Princess 38-foot power cruiser, which sells for £48,700 is sold out to March 1982. The company, which makes both yachts and power boats, noticed an improvement about three months ago.

This glimmer of a revival in export prospects is a further irony for Westerly Marine. Mr Sanders admits that the company could have attempted to hang on until spring, but the pound and interest rates were too unpredictable to take the gamble. "We could have ended up running the company into the ground," he said.

Westerly went into receivership with some £4m in debt, mostly owed to Barclays and leaves some £1m in outstanding liabilities to unsecured creditors. The net asset value of the company, which includes six factories, a joinery works and a moulding factory in Alresford, was valued at about £2m in July 1980.

"Customer confidence sells boats," says Mr Sanders. "Whoever buys this company gets a bargain. If they have good standing in the community, the customers will come flooding back."

That purchaser, and there have been a handful of approaches already, will be under pressure to rebuild Westerly's high-standing abroad. The ICOMIA industrial survey shows that 31 per cent of boat builders in Britain were more optimistic about the export market last month against 14 per cent only six months earlier. On the UK market, the figures were 22 per cent and 10 per cent respectively.

The U.S. is a logical spot to attack. The SBBNF reports that exports to the U.S. plummeted from £0.5m in December 1980 to £43,000 in January this year. The UK builders are also aiming to take a stronger stance against importers. Five years ago, the London boat show attracted eight to 10 foreign exhibitors. This year, the number had climbed to 45 out of a field of 450.

Even so, next week, workmen in Waterlooville will go back to their hands-and-knees job of sanding down decks and fitting in winches on the Conway's, Discus and Fulmars. From the resin pot to the water, it takes just seven weeks to make a Conway W36, for example, and the Westerly crew still turns out 6 boats a week and they all have buyers. Westerly, like the rest of British boat industry, is certainly down. But both are confident that they are by no means out.

Weekend Brief

The day of the dog and cat psychiatrist

The day of the pet psychiatrist seems to be almost upon us, with "pet insurance" in hot pursuit.

Take the case of an Ascot dog, Nicholas. He might be a little non-plussed if he knew that his feelings might warrant a learned paper entitled *An Analysis of the Predisposing Factors in Severe or Fatal Dog Bite.* After all, all he did was to object in the only way he knew to his mistress's attempts to eject him from the home they share.

But the altercation landed Nicholas on the canine equivalent of the psychologist's couch.

Nicholas is a nine-year-old Samoyed (one of the husky family) owned by Peggy Griffiths, wife of an FT colleague. The argument turned on whether or not he (the dog) should remain in the kitchen. She lost the argument and got badly bitten, whereupon—with a newly-arrived baby around—she promptly lost confidence.

A chat with the vet led the Griffiths to Dr Roger Mugford, "consultant in animal behaviour," who for a fee of 40 guineas advised that they probably had on their hand a case of "dominance aggression." In other words, Nicholas wanted to be top dog.

He taught Peggy Griffiths how to reassert her authority, how to get her dog to stop, sit, even roll over in an attitude of submission.

All that was a year ago. Nicholas was reprieved and today has been restored to his mistress's affections; though just to be sure he is kept muzzled when the toddler is around.

Dr Mugford re-entered their lives this week when they heard he had been a key figure at a recent conference in Philadelphia on the *human/companion animal bond.* He was reading one of about 40 research papers; "serious stuff—they're not just a bunch of dotty dog doctors like me," he says disarmingly.

Roger Mugford is a scientist with a PhD for research on aggression in animals, who has also done research in the U.S. for Pedigree Petfoods (Mars) on man-animal relationships. "They are very interested in why people keep pets."

It was the third such conference, the first having been in London in 1974, when Mugford made the sole contribution based on experimental evidence. This year they seriously discussed ideas which earlier might merely have raised a horse laugh, such as "the impact of pets on juvenile delinquency."

Who funds such research? The answer is companies in the lucrative petfoods industry and animal charities.

But two years ago Mugford, a well paid young scientist with Pedigree Petfoods, left to find a new vocation as Britain's first consultant in animal behaviour. He collaborated closely with a London vet, Bruce Fogle. Now they are thinking of starting their own clinic in London: although Mugford says he prefers "to see the troubled pet in the family environment," and is prepared to spend two or three hours at it. "It's all about building a bond."

Peggy puts the bite on fierce dog

Vets are suddenly becoming excited about the possibilities of changing pet behaviour. They talk of perhaps 10 per cent of doggie problems residing in this sphere. The owner brings along his ailing pooch and then adds as an afterthought: "Oh, and by the way he bit me."

Vets themselves have come a long way from the 1970s when they would gasp: "See a dog-shrink—you must be nuts." With farmers these days often providing their own veterinary services, vets are themselves growing increasingly interested in the idiosyncrasies of pets.

Even insurance companies are getting excited. This week the Pru—though it wasn't the first—offered PruPet, its new insurance cover for Britain's 12m pet owners. Vet fees of up to £100 (excluding the first fiver) can be covered for an annual premium of £15-£30, regardless of the medical and behavioural history of the beast. There is also a "death benefit" for the owner if his pet dies or has to be destroyed. In the U.S. an owner can also get "emotional support" from a Mr James Quackenbush, described as "the nation's only social worker for bereaved pet owners."

Nearly £2m from ads. on parking meters

You might have thought there was a surfeit of advertising. From London to Times Square, from Birmingham to Bangkok, there are ads plastered everywhere—though not, until recently, on parking meters.

On Thursday, however, the London borough of Westminster gave its seal of approval to this ingenious idea and thus joined the other local government areas in Britain that are raising badly-needed revenue in this way.

What is even more encouraging is that Meter-Ads, a trade name that belongs to Tamlint Promotional Services of Manchester, were dreamt up by a 40-year-old accountant who 17 months ago was made redundant. In the interim, he has built up a near-£2m business and won the gratitude of advertisers and borough treasurers alike.

It has not been easy. He has had to wrestle past miles of red tape and to overcome the notorious conservatism of the advertising business. But then Kenneth Taylor is a Northern businessman of the old school.

An accountant, he was formerly a director and general manager of William Arnold Holdings, a group of companies in the motor trade. Last June, he was made redundant. But rather than repine, he joined forces with a colleague, Willie Harrison, who resigned voluntarily.

Ads on meters was not a new idea, though it had not previously been tried. The first local authority to agree to their scheme was London's Kensington and Chelsea, though by the end of the year they expect to have more than 25 authorities signed up, accounting for approximately 30,000 meters—three-quarters of the meters in the country.

Their initial orders from clients were for as little as £150. Now they can talk in terms of £15,000 or more per client. Advertisers that have already put their names on meters include British Airways, Thomas Cook, Polaroid and John Player, the latter of which has booked space on almost all the 10,000 meters in the borough of Westminster.

The deals vary, but Taylor—whose new-found prosperity has allowed him to buy a company Rolls-Royce—says that if his turnover reaches £2m this year, the cut for the local authorities will be almost £800,000. (All this from a venture which has cost £120,000 to date.)

Tamlint is now studying the potential for parking meter ads in Europe (there are 260,000 in France alone, including 26,000 in Paris) and the U.S., which has 8m.

The only small hitch to date appears to have occurred in some of the ritzier London boroughs, where certain ladies—"French Lessons: Ring Madame Eileen"—have had their own ads printed with which to dress the meters. Shame to say, they are swiftly removed by Tamlint inspectors.

A gold mystery that grows and grows

One of the most mysterious treasure hoards ever to appear at auction comes under the hammer at Sotheby's on December 14—sixteen lots consisting of gold and silver belts worn about 1,500 years ago by the princes of the Avar tribe. The Avars are themselves something of a mystery, appearing out of the East in the 6th century and dominating Eastern Europe until they were subjugated by Charlemagne. Their religion was gold—the very word avaricious may well have derived from their obsession with it.

A continental businessman walked into Sotheby's two years ago with the treasure which he had acquired in Munich through a middle man. He was taking a risk on the authenticity of the two gold belts, four of silver and elements of another eight belts, and also the previous ownership, which is also clouded in mystery. Extensive inquiries by the saleroom have proved that they are genuine and a vague history has been developed.

Sotheby's referred the hoard to the Low Level Measurement Laboratory of the Atomic Energy Research Authority at Harwell which has developed a new small counter facility which can date through carbon-14 measurements from just 300 milligrams of material. This proved that it was late 7th century, confirming that it was probably part of the Vrap treasure discovered by Albanian peasants at the turn of the century. The bulk of the Vrap find was given to the Metropolitan Museum in New York by J. P. Morgan but there have been persistent rumours that other items had been smuggled away, and a dissertation of 1917 on the Vrap findings refers to some of the belts that have now come to light.

Where they have been for the past 80 years is unknown. Sotheby's now believes the belts have been in Germany since 1936; it has also talked to a Greek dealer who admits to a sighting in the 1920s. They were certainly reported to be in West Germany in 1959, and Mr Richard Camber of Sotheby's remembers seeing drawings of some of the belts while working in the British Museum in the mid-1970s. It is now believed that a diplomat in Albania got his hands on part of the hoard before the First World War and that it has been passed around Europe by private collectors for years, a usual practice in the antiquities world.

A third unknown is the price the treasure is likely to fetch at auction. Sotheby's has never offered such a rare collection (usually museums buy important antiquities direct from the owners or dealers), and has placed a conservative estimate of up to £500,000 on the lots. It hopes that a museum, perhaps the Met. in New York or a West German museum (the Avars settled in Germany) will put in a bid, but also feels that a private collector, intrigued by the gold, might try a speculative bid.

Contributors:
David Fishlock
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Economic Diary

TOMORROW: Camping Trade Exhibition opens, Harrogate (to November 11). Belgian general election.

MONDAY: Central Bankers meet in Basle. Agricultural workers submit pay claim. Hire purchase and other instalment credit business for September. Sig. Giovanni Spadolini, Italian Prime Minister, meets Mrs Margaret Thatcher, London. September final figures for retail sales. Commons: Queen's Speech debate on employment, industrial relations and training boards. October provisional wholesale price index. EEC Research Council meets, Brussels. Americans begin military exercises in Egypt. Fast Food Fair and Conference opens, Brighton (to November 12).

TUESDAY: Central Government transactions (including borrowing requirements) for October. London clearing banks' monthly statement for mid-October. Provisional estimate of money supply. Commons: Queen's Speech debate on financial arrangements of the National Coal Board and privatisation of the British National Oil Corporation. EEC Foreign Affairs Council meets in Brussels to discuss renewal of the Multi-Fibre Arrangement. International Furniture Show opens, NEC, Birmingham (to November 15). Egyptian and Israeli Ministers resume negotiations, Cairo.

WEDNESDAY: National Economic Development Council meets to discuss energy costs, London. Commons: Queen's Speech debate on the economy. Miners' pay talks open, London. British and U.S. scheduled airlines start air fares discussion, Washington, (to November 13).

THURSDAY: September provisional index of industrial production. Seamen's pay talks resume, London. Caravan Camping Holiday Show and Mobile Homes opens, Earls Court (to November 22). Governor of the Bank of England's lunch for the Accepting Houses Committee. Miss World contest final, Royal Albert Hall.

FRIDAY: Retail prices index for October. Tax and price index for October. Third quarter provisional figures of finished steel consumption and stock changes. Usable steel production for October. Building societies' monthly figures for October. Commons debate Government measures to help small businesses. Mr Gordon Richardson, Governor of the Bank of England, starts tour of Japan, Hong Kong, Singapore and Australia.

UK COMPANY NEWS

Television South for USM

Television South (TVS), the new independent television contractor, which is to serve the new south-and-south-east franchise area from January 1, is coming to the Unlisted Securities Market later this month with an offer for subscription by Henry Ansbacher of shares and loan stock of TVS.

TVS is raising just under £3.4m by offering a total of 6.03m non-voting shares and £1.88m of variable-rate (14 per cent/20 per cent) unsecured loan stock in units of 16 shares and £5 nominal of loan at a price of £9 per unit.

The prospectus is to be published in Monday's Financial Times.

Ulster TV boosts dividend

AN IMPROVED dividend has been declared by **Ulster Television**, the IBA franchise holder for the province, after profits held steady at the pre-tax level in the year to July 31 1981, at £535,929 against £535,817.

As expected, the final payout of 3p net per 25p share—raised from 2.6p as was the interim—provides a total of 6p (5.2p).

However, a tax charge of £307,994, compared with a £78,920 credit, brings the attributable surplus down to £227,935 (£614,746). Stated earnings per share fell from 25.6p to 9.5p.

Taxable earnings midway were £331,000 (£316,000).

The company points out that a comparison of the £294,677 operating profits with last year's £288,874 has "little significance" as the 11-week ITV strike fell in the year to July 1980. Compared with two years ago profits at this level were down 30 per cent in spite of increased income. Costs also increased sharply.

Mr James MacQuitty, the chairman, says future revenue trends are difficult to forecast but some confidence can be drawn from the fact that television revenue has been less affected by national economic problems than those of most of industry.

Midterm rise for Chubb South Africa

For the six months ended September 30 1981, pre-tax profits of **Chubb Holdings**, 71.7 per cent owned South African subsidiary of Chubb and Son, moved ahead from R1.17m to R1.82m.

Satisfactory results are expected for the full year, provided there is not a major economic downturn, the directors state. Operations are being affected, however, by shortages of skilled personnel, they say.

From first-half earnings of 25.5 cents (17.1 cents) the interim dividend is increased from five to six cents—last year's dividend totalled 23 cents from taxable profits of R3.02m.

Brazil operations leave Eva £13,000 in the red

A REVERSAL from acceptable profits to significant losses in Brazil, has left **Eva Industries**, hand tool manufacturer, £13,000 in the red pre-tax, for the half year ended September 30, 1981, compared with profits of £231,000. Sales rose slightly from £14.21m to £14.67m.

The interim dividend has again been omitted—last year's final of 1p was paid from taxable profits which slumped from £2.04m to £418,000.

The directors state that action taken reflects positively the future short-term profitability and long-term future of the group, but before contemplating the dividend policy they will await the full-year's results.

They state that apart from Brazil the aggregate contribution from all other companies in the group was measurably improved and the trading loss incurred by the Trantor project was virtually eliminated.

In Brazil, the available capacity has been much reduced and what the directors believe to be the final adjustments to accord with perceived demand, are in hand. Marketing and distribution organisation has been revised also.

Pre-tax figure for the six months was after interest of £752,000 (£392,000).

Tax figure was an overseas charge of £35,000 (£102,000) and after minority credits £62,000 (£103,000 debits) and net costs of £134,000 (nil) relating to previous years' discontinued activities, loss attributable was £120,000 against £26,000 profit.

● comment

Eva's shareholders must be kicking themselves for not accepting Anglo Indonesian's 40p share bid last March. Shares have since sunk to 29p and did not budge with yesterday's gloomy news. The Brazilian bubble has burst: £300,000 in profits from Brazil in the first half of last year have turned into a £200,000 loss as sales have dropped by half. The South American workforce has also been halved, to 350, and redundancy payments fell into this period. The company says the problem is "contained," but like anyone else, it cannot predict the vaguaries of the Brazilian econmy. Borrowings in Brazil have increased by £1m in the last 12 months to £3m and the group's gearing is now just shy of 50 per cent, against 42 per cent a year ago. Both the Wolverhampton factory and Thai operations are profitable but these activities cannot provide a basis for recovery if Brazil remains sour. Historic assets per share stand at 125p at the year end—time for another bid? Market capitalisation is £2.7m.

Moss Engineering on target

ALTHOUGH AHEAD of the £600,000 rights issue forecast made in July, pre-tax profits of the **Moss Engineering Group** fell from £705,752 to £656,043 in the year to August 31 1981. This year's figure was before deducting pre-acquisition profits of £54,551. Sales improved by 11 per cent from £15.05m to £16.74m, with exports being increased by 35 per cent to £5m.

As indicated at the time of the rights issue, a final dividend of 3.85p net is proposed, making a same-again total of 5.95p.

Trading profits were at a record £1.54m, but interest charges had an even greater impact than in previous years, rising from £514,168 to £787,806.

Mr Ernest Cars, the chairman, says group borrowings increased during the year, due to overseas expansion and re-organisation costs. He says group gearing will remain high until the second half of 1982 when projections indicate a return to "more comfortable levels."

The acquisition in April of motor parts retailers McJohns is, he says, a big step in pursuit of plans to make engineering component distribution a larger part of group activities. Since the acquisition, two further retail units have been opened, one giving the group its retailing entry into the Birmingham area.

During the year the group's workforce was reduced by 20 per cent and total factory area in use cut by 27 per cent, bringing large potential savings in future running costs.

The year's pre-tax figure was struck after a surplus of £154,000 (nil) on plant sale, depreciation of £251,000 (£250,000), pre-acquisition profits and the interest charges. There was a tax credit of £39,000 (£43,000 charge), and stated earnings per 25p share were down from 14.28p to 10.41p.

Profit was, however, before charging £1.15m extraordinary items, which was the gross for closure and re-location costs in connection with the group's re-organisation programme. There were exchange losses of £11,774 (£98,037).

● comment

Moss Engineering's combination of rights issue and reorganisation costs shows the extent to which the company is changing shape. Strategy at the moment consists of squeezing Moss's manufacturing activities into lower-cost premises in Accrington while expanding its more cash-generative distribution side. In the latter endeavour, the McJohns acquisition constitutes the major step: the group now has 5 shops (against 3) and is hoping that the extra turnover will suffice to recover the extra fixed costs and recoup the continual slippage in gross margins. The manufacturing cost base has been trimmed back quite severely, and if enough contracts can be secured to maintain the workload in the second half of 1982—as present orders taper off—Moss will reap the benefits of reduced operational gearing. By then, cash flow should show some impact from the sale of factories now standing empty in Birmingham. An historic fully-taxed p/e of nearly 11 may take some living up to (particularly when diluted by the recent issue), but at 77p the shares still yield 11.5 per cent.

Progress by Rush & Tompkins

ON LOWER turnover of £38.64m, against £45.08m, **Rush and Tompkins Group** has returned to a pre-tax profit of £463,000 for the first half of 1981, compared with a loss of £773,000 last time. The group's activities cover property investment and building and civil engineering contracting.

Mr Derek Pulmar, the chairman, says the fall in turnover was because of the planned reduction in residential estate activities and of the closure of a partly-owned South Wales civil engineering company.

The net interim dividend is being stepped up from 1.25p to 1.5p per 25p share, to reduce disparity. Last year's total was 3.75p on a pre-tax deficit of £785,000, but the chairman is *looking for a satisfactory result this year.*

Net rents for the six months were up from £778,000 to £825,000, while trading profits rose by £30,000 to £315,000. Interest and central expenses accounted for £748,000 (£861,000) and exceptional debits last time took £975,000.

After tax charges of £70,000 (£80,000) and minority debits of £51,000 (£58,000) the attributable surplus was £342,000, compared with a loss of £891,000.

Mr Palmar says the current economic climate in the UK has delayed the group's disinvestment in house building with the result that carrying costs are higher than expected. He anticipates that it will be 1982-1983 before substantial progress *is made in disposing of these interests.*

Building and civil engineering operations are trading satisfactorily and are in profit. Order books are reasonably good.

The group's industrial development programme has been curtailed until the economic situation improves and it is currently concentrating on office and shopping schemes. Industrial lettings are slow, but demand for other space remains good.

During the period an acceptable agreement was reached for the eventual settlement of the irrigation contract in Guyana. In the second half the group has had considerable success with its intended expansion of its overseas business.

Western Motor at £¼m

ON EXTERNAL sales down from £21.44m to £19.06m, taxable profits of **Western Motor Holdings** declined to £255,200 in the first half of 1981, against £339,500. For 1980 as a whole, however, the Plymouth-based group was in deficit to the extent of £316,209 at this level.

Reduced charges were effected for interest at £492,700 (£688,900) and for depreciation at £500,000 (£600,500).

The company, which is involved in motor retailing and delivery, leisure and property, has not paid a dividend on either class of its ordinary shares since the 1p net per 25p share interim in 1979 and Mr J. R. Smyth, the chairman, says it "would not be judicious" to do so now. However, a preference dividend has now been declared in respect of the previous six months.

Earnings per share are given as 6.94p (12.97p).

Tax took £2,200 (£3,000), after which debits of £28,600 (£32,000) were made for minority interests and £132,000 (£145,300) for extraordinary items, the latter reflecting redundancy costs in the car delivery division where staff had again to be reduced in line with the traffic available.

Downturn for BP Canada

NET INCOME of **BP Canada**, 65 per cent owned subsidiary of British Petroleum Company, dropped from C$77m to C$41.6m for the nine months ended September 30 1981. Total revenue amounted to $1.04bn, compared with $806.6m.

The directors say that net income was reduced by increased operating expenses and higher write-offs of dry-hole costs.

Revenue from natural *resources declined mainly as a* result of the Federal Government's petroleum and gas revenue tax which, in the nine months amounted to $10.7m.

Earnings per share are shown as $1.95 ($3.61).

Retraction by Intervision auditors

Intervision Video (Holdings), the videotape distributor headed by Mr John Bentley, has been notified by its auditors, Thornton Baker, that further information has been disclosed nullifying one of the two items which led to a qualification of the company's 1981 accounts.

When the audited report was signed on October 29, Thornton Baker had not been able to obtain confirmation that £953,736 of advance royalties included in the company's assets were, in fact, unutilised.

This confirmation has now been received from United Artists Corporation. Had it been received earlier, said the auditors in a letter to the company, a qualifying paragraph in their report "would not have been included."

Lister 'has emerged' from worst period

ALTHOUGH IT cannot be assumed that the UK textile industry generally is out of the recession, Lister and Co now has the worst behind it, says Mr John Segal, its new chairman.

The drive for further economies continues, and the directors are particularly examining ways of easing "the burden of interest charges on our results," he tells shareholders in his annual report.

As reported on October 12, interest charges on bank overdrafts and loan capital—up from £1.96m to £2.11m for the year to March 28 1981—again eradicated trading profits and left the group £639,000 in the red pre-tax, curtailed from £843,000.

A reduction in the workforce necessitated by lower turnover enabled efficiency to be improved. "Other economies together with a drive towards improved productivity have left the group in a position to take full advantage of an upturn in demand."

Mr Segal adds: "In these difficult times it would be foolhardy to predict what lies in store," but is confident the company can adjust to future circumstances.

He pays tribute to Mr I. E. Kornberg, from whom he took over after the former chairman's dealth in April. Mrs B. Kornberg has assumed his interest in 2.31m shares (14.04 per cent). ICI's 3.135m holding has remained unchanged, as has the 1.14m held by Alexander Stone and Sir Jack Lyons as trustees.

BIDS AND DEALS

Merger between NCC and Simplicity called off

Mr Graham Ferguson Lacey's seven-month long attempt to wed **NCC Energy**, the UK-quoted company he controls, with the cash-rich **Simplicity Pattern Co. of America**, collapsed yesterday. The merger has been called off.

The official announcement, which drove NCC's share price down 12p to 78p, said only that both companies had agreed to terminate the agreed merger "in view of current circumstances."

This is believed to refer to the blocking tactics employed by Mr Carl Icahn, a professional New York investor who owns 14 per cent of Simplicity.

Mr Icahn bought an 11.5 per cent stake in Simplicity in August with the intention of voting against the merger. Early this week he mounted a tender offer for a further 20 per cent at $11 a share, compared with the $9 a share at which the market valued the NCC merger.

Yesterday, Mr Icahn confirmed that his company, Bayswater Realty and Capital Corporation, had told the American Securities and Exchange Commission that his reason for making the tender offer was to gain control of Simplicity.

"We have been against that merger all along," he said. "We are pleased that it has been called off. We did not think it was in the best interests of shareholders."

NCC and Simplicity have agreed not to deal with Mr Icahn in Simplicity's shares for nine months. But the agreement contains the unexplained phrase that they may do so in "certain circumstances."

NCC added yesterday that it had "no intention" of tendering its 15.4 per cent to Mr Ic
Before Mr Icahn's bid had b
formalised, Mr Ferguson L
had claimed it was "credible."

NCC also said yesterday it remained "committed" Simplicity and that the bo room composition already e lished would remain. NCC four directors on Simplic board, against Simplicity's and one independent direc

NCC's shares were br suspended yesterday ahead the announcement—for third time since the me plans were first announced.

Now Mr Ferguson Lace promising a further annou ment on November 17, a before Mr Icahn's tender closes. This will follow the statement calls a "revie various alternatives."

Hoveringham profits drop to £465,000

For the first half of 1981, pre-tax profits of Hoveringham Group, the quarry concern subject to a bid from Tarmac Roadstone Holdings, dropped from £1.39m to £465,000, and in view of the offer there is no interim dividend.

As reported on October 14, Tarmac bought a controlling stake from the founding Needler family and announced an offer valuing the civil engineering and construction group at £40.1m.

Mr G. H. C. Needler, chairman of Hoveringham, who is recommending the deal, says the Needler Family Trusts are not proceeding with the transaction to acquire the group's interest in Hoveringham Insurance Brokers for £1.5m, as *a result of interest received from third parties.*

Turnover of Hoveringham for the six months slipped from £37.88m to £35.04m and the pre-tax figure was struck after interest, £1.08m (£1.42m), depreciation £2.96m (£2.57m) and land depletion of £389,000 (£369,000).

Tax took £258,000 against £497,000, minorities interest was £9,000 (nil) and there was an extraordinary debit of £121,000, compared with a £116,00 credit.

Earnings per share are shown *as 0.82p against 4.53p.*

John Finlan ends talks with suitor

John Finlan, the Widnes-b builder and developer, reve yesterday that bid talks, w could have led to an offe the company, have been minated.

On the London stock ma shares in Finlan fell 17p to on the news.

Explaining the terminati the talks with the undisc buyer, Finlan said that the concerned had failed to a price which the directors recommend to shareholders.

Discussions with the unn suitor had been underway July. Last month Finlan unv a 37 per cent rise in p profits and a doubled in dividend for the first six m of its financial year.

Pre-tax profits were £3 compared with £223,474, the interim dividend was to 3p net per share which pared with 1.5p net per sha

United Scientific plans to take over Rollei

THE NAME Rollei and the remaining viable activities of the West German camera maker are to be taken over by **United Scientific Holdings**, the UK-based suppliers of optical, scientific and electronic equipment, under the terms of a conditional contract which can be implemented at its option.

A newly-formed German subsidiary of USH, called Rollei Fototechnik GmbH (RFG) will acquire certain assets and the business there. Its share capital of DM 10m will be subscribed from USH resources, and it is also to borrow some DM 8m to purchase the balance of the assets.

In August USH bought part of the assets of Rollei's unsuccessful mass production factory in Singapore, but it does not intend to continue in the cheaper end of the camera market. Remaining stocks there, together with the responsibility for service and parts, will be in the hands of the Receiver appointed earlier this year.

Rollei thus plans to revert to its real strength, developing as a market leader in professional, semi-professional and top amateur photography. Its products will also be directed at the medical, scientific, police and defence forces, other government organisations, architects and designers.

USH also intends to introduce into Rollei a range of existing products from its British and U.S. factories. These will be made in West Germany.

Any further working capital required by RFG will be available from local borrowing. The maximum consideration will be DM 20m, of which not more than 15 per cent is represented by intangible assets.

The assets to be acquired consist of tooling, machinery, *finished and semi-finished stocks,* raw materials, patents, trade marks, goodwill and the worldwide exclusive use of the name Rollei. No service agreements arise.

The original Rollei company was formed in Brunswick in 1926. The ambitious attempt at diversification into Singapore came in 1979, and where a purpose-built factory was erected.

Permodalan stops buying AMC shares

Permodalan Nasional Be the Malaysian governmen vestment institution, announced through the Development Bank, that no longer standing in the m to acquire shares of gamated Metal Corporation.

Permodalan says it achieved its objectives acquiring a strategic intere AMC and of ensuring tha minority holders of received an equitable pric their shares.

On November 5, Permo purchased 55,000 AMC shar 562p each making its total ing 605,779 ordinary share 9.63 per cent.

AMC shares were up 5 613p at the close yesterday.

Irish Life seeking 60% in Church and General

Irish Life Assurance Company, the largest life group in the Republic of Ireland, is proposing to acquire a 60 per cent holding in Church and General Insurance Company, in a deal valuing the company at I£3.8m.

It intends to achieve this by offering I£2.75 cash per share for 75 per cent of the holdings of each shareholder, except Assurance Generales de France (the second largest insurance company in France) which holds 20 per cent of Church and General.

The board of Church and General and their financial advisers, the Investment Bank of Ireland, consider the offer to be fair and reasonable and will be recommending acceptance.

Church and General has its head office in Dublin and transacts most forms of general insurance in Ireland and the UK. It has expanded rapidly in recent years, its premium income having grown from I£1.7m in 1977 to I£7.6m in 1980. However, the company experienced a substantial underwriting loss in 1980 which restricted pre-tax profits to I£438, and it is not expected that underwriting losses will be reduced in 1981. The company intends to pay a total dividend of 8p (7p) per share.

The company has a long-standing relationship with the Catholic Church in Ireland, having provided insurance for church property, and is at present substantially owned by various bodies associated with the church. Irish Life's intention is that this relationship should be maintained and developed.

Irish Life, which is 90 per cent owned by the Minister for Finance, transacts life business in the Republic, Northern Ireland and Great Britain. Its total premium income in 1980 amounted to I£125m, and its funds at the end of that year amounted to I£687m.

Its board has been planning for some years to extend activities into general insurance so as to be able to offer a complete insurance service to customers.

MARSH/WINCHESTER

The offer made on behalf of Marsh and McLennan to acquire Winchester Bowring other than that already owned by a subsidiary of Marsh, has become unconditional in all respects.

Acceptances have been received in respect of 100 per cent of the share capital of Winchester Bowring for which the offer was made, and accordingly Winchester Bowring has now become a wholly-owned subsidiary of Marsh.

ASSOC. SPRAYERS

Associated Sprayers, manufacturer of gardening, household and DIY products, has entered into conditional agreements to acquire Tri-Flon (UK), which holds the exclusive distribution rights in the UK and Eire for "Tri-Flon"—a "Teflon" based lubricant.

The purchase is conditional on shareholders' approval because the 70 per cent interest in Tri-Flon (UK) is to be bought for £17,500 is presently owned by the chairman of ASL, Mr R. W. O. Beney. In addition it is proposed that ASL will refinance a £100,000 loan presently guaranteed by Mr Beney and repay his current account with Tri-Flon (UK) Ltd which at July 31 1981 amounted to £7,174. The remaining 30 per cent interest in Tri-Flon (UK) is to be purchased from Mr A. R. Monbiot, an executive director of the company, not later than March 31 1985 on terms linked to the success of "Tri-Flon."

WIGGINS ACQUIRES PROPERTIES

Wiggins Group for Wiggins Construct, has changed contracts for acquisition of **Thames Es Properties**, which, in add to some land for furthe velopment, owns freehold dustrial commercial and properties in Essex ind dently valued at £1.1m.

The cash consideration these properties, which pro a rental income in exces £140,000 a year, is £573,000 the assumption of mort liabilities of £380,000 repa between now and 1985.

Wiggins has also bo Sangley Joinery and Cons tion for £10,000.

ABERCOM/PERTH E

Agreement has been rea for the acquisition by Abe Group of the entire issued s capital of Perth Engineerin a consideration of R2.57m. amount is to be satisfied by issue to the vendors of 57 Abercom ordinary and R6 in cash. The shares will pari passu in all respects the existing issued ordi shares of Abercom.

CHRISTIE-TYLER

Christie-Tyler, furniture upholstery manufacturer, acquired for an undisclosed the rights to most of upholstery products previ manufactured by Harris L from the receiver, together the trade name and goodwi Lebus related stocks.

JOSEPH NADIN EXPANSION

Joseph Nadin Contracting, Manchester-based industrial lation company, has acquired assets of mechanical pipe and progress engineers Ful Engineering of North Kil holme, South Humberside.

The acquisition forms pa Joseph Nadin's plans for tinued expansion in the N Sea oil, power generation, and petrochemical proce industries, a market in w Nadin has a 20 per cent s

The assets include a 12,000 warehouse, three acres of l vehicles and equipment. company's 45 employees been retained.

Fullcliff has had a succe growth record since it formed seven years ago. In last financial year turnover pre-tax profits were £1.6m £119,000 respectively.

Results due next week

Nobody seems to believe that Lucas has made any money in the second half: opinion varies as to the extent of the probable loss. Optimists focus on the developing aerospace business, favourable currency movements, and the benefits flowing from the redundancies of early 1980. The charitable view is that after another £12m of redundancy costs have been taken at the trading level, Lucas will have broken even in the half year to July 31: the year's pre-tax loss thus amounts to some £27½m.

Pessimists look at the decline in commercial vehicle throughput—rather than the surprisingly buoyant figures from the UK car industry—and foresee an additional loss of perhaps £5m. In neither case is there much doubt over the final dividend. The interim was maintained in the face of heavy losses, and it would look odd—as well as harming the Lucas pension fund which holds 18 per cent of the shares—to cut when the worst is supposed to have passed.

The market is looking for a sizable advance next Wednesday in the interim profits of **Associated British Foods**. Food manufacturing in the UK should be ahead of last year, as will results from the Fine Fare chain—if not to the same extent as Sainsbury, last Wednesday. Significant progress is expected from the George Weston group in Australia, and has already been achieved by Premier in South Africa. Until this week analysts had been thinking in terms of the 20 per cent forecast made by Premier a few months ago, and sketching in a forecast for ABF's end-year profits of £130m or so.

Premier's first half has been much better than forecast—profits rose by 44 per cent—and there has been a decisive impact on projections for the UK parent: £135m before tax now marks the lower end of the range for the full year and an interim figure of £55m—against £44m—is the target for this week.

Interim figures are due from **De La Rue** on Tuesday and are clearly awaited with one eye on a cautionary statement from the chairman at July's AGM. He warned of a weak first half and the market would be pleased to see pre-tax profits level with last year's first half at £14.5m. There are some fears of a slightly lower figure, taking account of the fact that Crosfield Electronics, which lost £800,000 in the second half to March 31, has had to build up its stocks of promising new, cheaper models over the summer and only delivered its first order in September.

Whitbread, which reports interim figures on Tuesday, should show a good advance in the first half to £38m-£39m for the six months ended August 31 against £34.1m last time. Reduced overheads from the 1,000 redundancies taken last year should now be working through to profits. Whitbread has been aiming at margin maintenance not market share and it looks as if this strategy is paying off. Depreciation charges should go up thanks to the number of old depots now closed, while interest charges will be lighter thanks to the BP money received in the second half of last year. For the full year, analysts expect £72m-£74m against £66.3m. A dividend rise of around 10 per cent should be merited on both a historic and current cost basis.

The market is expecting poor news from **Commercial Union** when it reports its nine-month figures on Tuesday. Underwriting losses from U.S. and Canada are expected to reach a combined value of £75m compared with £31m last year, and despite a small UK profit total underwriting losses could more than double to £87m. Although investment income should rise by nearly one-third to £137m, thanks to strong premium growth and favourable currency movements, this will not stop a pre-tax profit slide of one-quarter to around £60m.

General Accident, reporting a day later, should show a better picture despite U.S. losses rising fourfold to £17m. The decline in worldwide underwriting losses from £32m to around £30m would have been worse but for a bright UK result with the group now well in the black at £5m. GA's investment income should also show a near one-third rise to £115m and pre-tax profits improve by at least one-fifth to £70m.

British Sugar's defence to the bid from S. and W. Berisford involved a 40 per cent forecast rise in pre-tax profits to £49m, and there is little doubt that the corporation will be able to make this stick. The market's main interest in next Wednesday's announcement is thus the prospect of some clarification of the position following British Sugar's own raid on Rank Hovis McDougall.

Among the other companies reporting next week are **Smiths Industries** (preliminary figures on Tuesday), **Woolworth** and **Hoover** (third quarter statements on Wednesday and Monday respectively), and **RIT, Hill Samuel** and **Chloride** (whose respective interims are due on Monday, Tuesday and Wednesday).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anglo Scottish Investment Trust	Thursday	0.9	1.5	0.9
Aronson (A.) Holdings	Tuesday	0.52	1.41	0.52
Brazer (C. H.) Holdings	Monday	2.2	4.0	2.4
Bridport-Gundry (Holdings)	Tuesday	0.99	1.42	—
British Sugar Corporation	Wednesday	2.75	12.65	7.5
Cedar Investment Trust	Tuesday	1.5	2.63	1.7
Drayton Consolidated Trust	Monday	2.0	5.6	2.0
Erskine House Investments	Tuesday	1.0	1.18	—
Herman Smith	Wednesday	0.16667	0.2	0.2
Jessups Holdings	Tuesday	1.0	1.0	1.0
Lucas Industries	Monday	2.6	8.4	2.6
LWT (Holdings)	Thursday	4.0856	5.5835	4.0858
Morland	Thursday	1.0	2.75	1.5
Murray Clydesdale Investment Trust	Monday	0.5	1.15	0.5
Newman-Tonks Group	Tuesday	1.65	3.45	1.65
Peters Stores	Tuesday	1.5	2.0	1.5
Scottish National Trust	Monday	1.95	4.2	2.2
Smiths Industries	Tuesday	3.7	6.3	3.7
Strothert and Pitt	Friday	—	1.0	—
Sungei Bahru Rubber Estates	Thursday	0.75	1.6	0.75
Wolseley-Hughes	Wednesday	4.4	8.1	4.4
"W" Ribbons Holdings	Wednesday	—	—	—
East Midland Allied Press	Thursday	1.15	2.35	
Electrocomponents	Monday	0.85	1.1	
External Investment Trust	Wednesday	4.0	4.5	
Folkes (John) Hefo	Tuesday	0.5	0.9	
Futura Holdings	Monday	1.05	1.54	
Hill (Charles) of Bristol	Thursday	—	—	
Hill Samuel Group	Tuesday	2.2	4.8	
King and Shaxson	Wednesday	1.0	4.75	
Kwik-Fit (Tyres and Exhausts) Hldgs.	Tuesday	0.61983	0.68182	
Lloyd (F. H.) Holdings	Friday	—	0.5	
London and Midland Industrials	Monday	2.3	4.85	
Northern Goldsmiths	Wednesday	0.85	2.66	
Northern Securities Trust	Thursday	1.0	3.4	
Oil and Associated Investment Trust	Thursday	1.05	2.45	
Outwich Investment Trust	Monday	0.72	1.944	
Prince of Wales Hotels	Thursday	0.75	1.0	
RIT	Monday	3.0	10.5	
Scott and Robertson	Tuesday	0.768	0.768	
Seccombe Marshall and Campion	Monday	6.0	12.0	
Slingsby (H. C.)	Wednesday	0.6	1.8	
Staveley Industries	Thursday	4.5	8.5	
Transatlantic and General Investments	Wednesday	3.1	3.9	
Valor	Thursday	0.772	1.891	
Warrington (Thomas)	Wednesday	1.1637	3.5709	
Wettern Brothers	Monday	—	—	
Whitbread	Tuesday	2.1	4.6	
Whittington Engineering	Thursday	1.4	2.1	
Wire and Plastic Products	Wednesday	0.73	1.22	
Young Companies Investment Trust	Monday	2.2	3.8	
INTERIM DIVIDENDS				
Allied Irish Banks	Wednesday	3.5	4.5	
Alnatt London Properties	Thursday	1.0	3.4	
Applied Computer Techniques (Hldgs.)	Wednesday	0.166875	0.33	
Aquascutum Group	Thursday	0.75	1.3	
Associated British Foods	Wednesday	1.2	2.6	
Beales (John) Associated Companies	Friday	—	—	
Cater Ryder	Tuesday	4.2875	18.8125	
Chloride Group	Wednesday	—	—	
Control Securities	Tuesday	1.05	1.75	
Cullens Stores	Monday	0.7	3.6	
De La Rue	Tuesday	6.6	14.4	
De Vere Hotels and Restaurants	Friday	3.0	3.0	
INTERIM FIGURES				
Bridgend Processes	Friday			
Commercial Union	Tuesday†			
Dwek Group	Friday			
General Accident Fire and Life Assn	Wednesday†			
Hoover	Monday†			
Tern Consulate	Tuesday			
Ultramar	Thursday†			
Woolworth (F. W.)	Wednesday†			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Third-quarter figures. ‡ Includes a special dividend payment of 0.45p. § Dividend paid prior to introduction.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
††Ayer Hitam Tin		§75	Dec 11	115	135	205
Brit. Inds. & Gnl. Inv.		3.5	Dec 21	3.5	5	**5.3
Energy Finance	int.	0.6	Dec 8	0.6	—	—
Eva Inds.	int.	Nil	—	Nil	—	1
Fortnum & Mason	int.	3.5	Dec 30	3.5	—	23.22
Fundinvest		2.51	Nov 30	2.4	4.24	‖4.18
GFSA	int.	¶15	Dec 30	55	—	180
A. Goldberg	int.	1.29	Feb 19	1.29	—	5.25
Grampian TV	int.	1	Jan 15	1	—	2.75
Guardian Inv. Tst.	int.	1.5	Dec 17	1.5	—	4.7
Hoveringham	int.	Nil	—	0.69	—	2.9
Moss Engrg.		3.85	Jan 11	3.85	5.95	5.95
Rush & Tompkins	‡int.	1.5	Jan 11	1.25	—	3.75
Scottish Ontario	int.	1	Dec 7	1	—	3.15
Tongkah Harbour Tin		§25	Jan 6	—	—	—
Ulster TV		3	—	2.6	6	5.2

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Malaysian cents throughout. ¶ South African cents. ‖ Includes 0.204 in respect of special dividends. ** Includes 0.3p special non-recurring payments. †† Gross figures throughout.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Proceedings on the bids and deals front last week were dominated by Rowe and Pitman's dawn raid for Ranks Hovis McDougall on behalf of British Sugar. Having been instructed to purchase 14.99 per cent of RHM at just over 68p per share, the brokers withdrew from the market after some 15 minutes after having bought 14.7 per cent at a cost of £27.59m. British Sugar then stated that no decision had been made as to whether a full-scale bid would be launched, but that it would be holding discussions with both RHM and S. and W. Berisford which holds around 40 per cent of British Sugar as a result of its unsuccessful offer earlier this year.

Following a dawn raid and subsequent purchase in the market, Australian entrepreneur Mr Robert Holmes à Court now holds 50.1 per cent of the non-voting A shares of Lord Grade's Associated Communications Corporation. Mr Holmes à Court, who already controlled some 30 per cent of the A capital is believed to have instructed stockbrokers Hoare Govett to purchase 10m A shares at up to 60p each.

IMI, the metal refiner and fabricator, is continuing its expansion into the U.S. by agreeing to purchase Cornelius Company of Minneapolis, a beverage dispensing machine manufacturer, for $32.5m.

Trident Television is paying £17m for the UK arm of Playboy Enterprises, including the troubled casino activities and will take up the appeal lodged last month by Playboy against the removal of gaming licences at its three London casinos.

Private investment concern Fieldwood has raised its offer for engineers Braham Millar to 30p cash per share valuing the latter at £3.77m. Fieldwood's original offer of 24p attracted only minimal acceptances. Fieldwood states that the offer will not be increased further.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Allen Harvey & Ross	294	275	247	7.78	Cater Ryder
Arbuthnot Lthm.	320*	315	305††	23.86	Dow Scandia Banking Corpn.
Berec	110●§	128	94	62.49	Hanson Trust
Berec	136	128	116	90.79	Tilling (T.)
Blantyre Tea	69*	88	69	0.80	Eastern Produce
Braham Millar	30*	29½	23	3.77	Fieldwood
Brown Bros.	30*	28	25	4.26	Dana Corp.
Caird (Dundee)	15*	15	13††	0.42	New Venture Carpets
Durapipe¶¶	40*	39	25	3.95	Glynwed
Elliott P'b'ro	56½	42	42	7.47	Jenks & Cattell
Grange Trust	146*§‡	146	127	9.84	Courtaulds Pensn. Fund
Hallite Hldgs.	200*	216	195	4.80	Gen. Tire & R. SA
Hiltons Footwear	160*	155	144††	9.82	George Oliver (Footwear)
Hoveringham Group Ord.	226*	216	89††	24.28	Tarmac
Hoveringham Group R.V.	196*	186	77†	15.80	Tarmac
Howden (Alex.)	165	143	142	150.07	Alexander and Alexander Srvs.
Linfood Hldgs.	186§	173	152	16.84	Argyll Foods
MDW Hldgs.	125§§	121	82††	8.44	FJC Lilley
Mowat (William)	3*	20††	20††	0.03	Mr Ernest Kearns
Provident Life	340*§	330	222	16.18	Winterthur Swiss
RCF¶¶	24*§	24	18	1.94	Bardsey
Scot. Ceylon Tea	22*	30	22	0.20	David Hume Secs.
Warren Plants.	240½*	238	190	21.60	McLeod Russel
Wassall (J. W.)	29*	29	31	0.31	Benson Shoe

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on November 6 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‡ Minimum cash offer. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Burndene Invs.	May	320L	(621)L	—	(—)	—	(0.75)
Berry Trust	Aug	473	(389)	1.8	(1.6)	1.7	(1.44)
Cramphorn	July	243	(280)	71.0	(53.8)	16.5	(16.5)
Greencoat Props.	June	16L‖	(161)L‖	—	(—)	—	(—)
Hepworth (J.)	Aug	4,080	(5,710)	7.7	(6.7)	3.79	(3.79)
Linread	Aug	79	(297)	—	(7.0)	1.0	(2.0)
Majedie Invs.	Sept	1,680	(1,280)	5.2	(4.3)	2.75	(2.25)
Manganese Bronze	July	639L	(540)	—	(3.3)	2.17	(2.17)
Martonair Invs.	July	4,070	(6,100)	18.4	(25.0)	7.6	(7.6)
Moben Group	Aug	1,950	(3,830)L	3.9	(—)	—	(—)
New Sylhet	Dec	27	(19)L	1.7	(—)	3.5	(—)
Nth. Brit. Props.	July	1,520	(1,550)	6.1	(5.1)	3.1	(2.8)
Polly Peck	Aug	2,110†	(52)‡	21.2	(—)	5.2	(—)
Priest Marians	Apr	37L	(39)	—	(19.9)	5.74	(5.74)
Safeguard Ind.	Sept	925	(970)	5.9	(6.2)	5.8	(5.8)
Samuel Props.	June	3,220	(4,164)	11.1	(10.5)	4.3	(4.2)
Titaghur Jute	Dec	321	(3,530)	0.2	(24.4)	—	(—)
Tyzack (W. A.)	July	250L	(270)	—	(2.9)	0.4	(1.78)
Wearwell	Aug	4,010¶	(1,610)	16.1¶	(7.8)	3.5¶	(2.5)
Wood Hall	June	4,070	(9,780)	14.7	(15.6)	6.11	(6.11)
Yarrow	June	53	(1,650)	15.3	(102.5)	8.15	(8.15)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Airflow Strmlines.	Aug	62L	(254)	—	(0.1)
Auditronic Hldgs.	Aug	121L	(145)L	—	(—)
Bank of Ireland	Sept	30,600a	(19,900)a	8.0	(8.0)
Boot (Henry)	June	239	(251)	3.0	(3.0)
Bradford Prop.	Oct	3,640	(3,330)	2.0	(1.7)
Brent Walker	July	216	(129)	0.35	(0.35)
British Borneo	Sept	621	(675)	4.35	(4.15)
British Dredging	June	104L	(78)	—	(—)
British Sidac	June	626	(465)	—	(—)
Caird (A.)	July	86L	(119)L	—	(—)
Caparo Inds.	June	115	(23)L	0.5	(—)
Capper Neill	Sept	1,610	(1,770)	2.1	(2.1)
Clement Clarke	June	683	(694)	1.27	(1.15)
Cluff Oil	June	970L	(3,160)L	—	(—)
Cole (R. H.)	June	295L	(79)L	—	(—)
Davies & Newman	June	1,990L	(761)L	—	(3.08)
Derritron	June	536L	(246)L	—	(—)
Ellis & Goldstein	July	511	(457)	0.85	(0.85)
Feedex Agricltrl.	June	231	(264)	0.5	(0.65)
Fidelity Radio	Sept	544L	(973)L	—	(—)
Graig Shipping	Sept	2,010	(651)	10.0	(10.0)
Grt. Portland Est.	Sept	6,080	(4,540)	1.0	(0.83)
Hammerson Prop.	June	6,620	(4,830)	3.0	(2.5)
Hampton Trust	Sept	110	(30)	—	(—)
Hartwells Group	Aug	1,010	(766)	1.79	(1.79)
Highgate Optical	June	11	(3)	—	(—)
Hwrd. & Wyndhm.	June	377L	(969)L	—	(—)
Hunting Gibson	June	1,420	(1,520)	2.0	(2.0)
Jenners Ednbrgh.	July	40	(30)L	4.0	(3.0)
Jerome (S.)	June	203	(212)	0.83	(0.83)
Lake View Inv.	Sept	1,650	(1,640)	1.5	(1.2)
London Pavilion	June	8	(34)	—	(—)
Mrlbrough. Prop.	June	73L	(207)L	—	(—)
MDW Holdings	June	501	(467)	1.5	(1.25)
Miller (S.)	June	188L	(6)	—	(0.6)
Milletts Leisure	Aug	96	(306)	2.95	(2.95)
Neill (James)	June	1,140L	(960)	—	(—)
Panto (P.)	June	12	(104)L	—	(—)
Platignum	July	402L	(18)L	—	(—)
Reed Intl.	Oct	38,000	(27,000)	4.0	(4.0)
Roberts Adlard	June	355	(350)	2.0	(2.0)
Ropner Holdings	Sept	2,830	(3,220)	2.5	(2.5)
Sainsbury (J.)	Sept	42,510	(30,850)	4.25	(2.25)
Scotcros	Sept	430	(1,010)	2.13	(2.13)
Sheffield Brick	June	20	(6)	0.75	(0.75)
Shiloh Spinners	Oct	58L	(138)L	—	(—)
Sketchley	Sept	3,540	(2,240)	3.2	(2.8)
Solex (UK)	June	450L	(474)L	—	(—)
TKM	June	65	(4,570)	0.3	(1.59)
Tricentrol	Sept	32,590§	(30,140)§	—	(—)
Tysons Contract.	June	448	(65)	—	(—)
UBM	Aug	331L	(2,330)	1.0	(2.0)
Usher Walker	June	145	(173)	1.29	(1.29)
Wace Group	June	359L	(91)	—	(0.72)

(Figures in parentheses are for the corresponding period.)

* Dividends shown net except where otherwise stated. † For 17½ months. ‡ For the period from March 20 1980 to February 28 1981. ¶ For 69 weeks to August 28 1981. ‖ Attributable losses. § For nine months. a In I£. L Loss.

Rights Issues

Abwood Machine Tools—Is raising £225,000 by way of a one for one rights issue at 7½p per share.

Scottish Offshore Investors—Rights issue of 2,000,004 ordinary £1 shares on the basis of two for one at par.

Offers for sale, placings and introductions

Aesis Jewellery—Is coming to the unlisted securities market by way of a placing of 2.24m ordinary 10p shares at 70p a share.

Dunton Group—Is placing 320,000 12 per cent convertible cumulative redeemable preference shares 1997-2002 of £1 each at par.

Exco International—Is coming to the market by way of an offer for sale of 14.5m 10p shares at 140p per share.

Feedback—Is coming to the unlisted securities market by way of a placing of 1.92m shares at 90p per share.

Greenwich Cable Communications—Is coming to the unlisted securities market by way of a placing of 1.2m 25p shares at 50p per share.

Nimslo—Issue of 7.5m shares at $4.25 per share.

VW—Is coming to the unlisted securities market by way of a placing of 1.17m shares at 62p per share.

EUROPEAN OPTIONS EXCHANGE

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
		Nov.		Feb.		May		
GOLD C	$425	1	11	14	56	—	—	$429
GOLD C	$450	—	—	155	18	—	—	"
GOLD C	$500	—	—	10	6.50 B	—	—	"
GOLD P	$425	1	6	2	14.50 B	10	21	"
GOLD P	$475	—	—	1	46.50	—	—	"
GOLD P	$500	—	—	2	74	—	—	"
		Dec.		March		June		
GM C	$45	—	—	10	⅞	—	—	$36½
		Jan.		April		July		
AKZO C	F.22.50	43	1.30	4	2.10	2	2.50	F.21.50
AKZO C	F.25	—	—	45	1.30	—	—	"
AKZO P	F.20	—	—	15	1	2	1.50	"
AMRO C	F.55	—	—	15	3.50	—	—	F.52
HOOG C	F.15	44	1	15	1.50	—	—	F.14.10
HOOG C	F.17.50	20	0.50	—	—	24	1.30	"
HOOG C	F.20	—	—	60	0.50	—	—	"
HOOG P	F.15	—	—	—	—	21	1.70	"
HOOG P	F.17.50	—	—	2	3.60	—	—	"
IBM C	$55	12	1⅛	—	—	—	—	$61⅞
IBM P	$60	2	1⅛A	—	—	—	—	"
KLM C	F.90	9	10	—	—	—	—	F.91.50
KLM C	F.100	25	6.70	6	10	—	—	"
KLM C	F.110	105	3.20	11	7.30	4	12	"
KLM C	F.120	28	1.50	5	4.58	—	—	"
KLM C	F.140	29	0.70	—	—	—	—	"
KLM P	F.80	12	1.50	—	—	—	—	"
KLM P	F.90	80	5.50	—	—	—	—	"
KLM P	F.100	8	11.20 B	2	13.50	—	—	"
KLM P	F.110	3	20 B	—	—	—	—	"
NEDL C	F.140	—	—	20	15	—	—	F.143.20
NEDL C	F.150	42	4.50	—	—	—	—	"
NEDL C	F.160	15	2.40	—	—	—	—	"
NEDL P	F.150	86	8.50	10	11	—	—	"
NATN C	F.115	4	1.60	—	—	10	4.30	F.109.30
NATN P	F.105	3	1.70	—	—	—	—	"
PHIL C	F.20	75	1	21	1.80	17	2.20	F.19.60
PHIL C	F.22.50	12	0.40	15	0.90	38	1.20	"
PHIL C	F.25	10	0.20	—	—	—	—	"
PHIL P	F.17.50	—	—	—	—	10	0.90	"
PHIL P	F.20	40	1.50	20	1.90	5	2.20	"
PHIL P	F.22.50	10	3.40	—	—	—	—	"
RD C	F.80	—	—	3	10.20	—	—	F.82.70
RD C	F.90	17	2.70	—	—	14	5	"
RD C	F.100	10	0.70	—	—	—	—	"
RD P	F.70	7	0.70	—	—	4	2.40	"
RD P	F.80	23	2.70	—	—	20	6	"
UNIL C	F.140	23	9.50	—	—	—	—	F.146
UNIL C	F.150	73	4.60	7	7.80 A	—	—	"
UNIL C	F.160	61	2	—	—	—	—	"
UNIL P	F.130	7	0.70	—	—	—	—	"
UNIL P	F.140	10	2.70	—	—	—	—	"
UNIL P	F.150	72	9	—	—	—	—	"
		Nov.		Feb.		May		
MANN C	DM.150	—	—	4	10	—	—	DM150.50
SIEM C	DM.220	—	—	44	7	—	—	DM209
SLUM C	$55	—	—	12	5	—	—	$55½
VW C	DM.170	—	—	3	0.70	—	—	DM128.20

TOTAL VOLUME IN CONTRACTS 1680

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	15½%	Grindlays Bank	‡15½%
Allied Irish Bank	15½%	■ Guinness Mahon	15½%
American Express Bk.	15½%	■ Hambros Bank	15½%
Amro Bank	15½%	Heritable & Gen. Trust	15½%
Henry Ansbacher	15½%	■ Hill Samuel	§15½%
■ Arbuthnot Latham	15½%	C. Hoare & Co.	†15½%
Associates Cap. Corp.	16 %	Hongkong & Shanghai	15½%
Banco de Bilbao	15½%	Knowsley & Co. Ltd.	16½%
BCCI	15½%	Lloyds Bank	15½%
Bank of Cyprus	15½%	Mallinhall Limited	15½%
Bank of N.S.W.	16 %	Edward Manson & Co.	16½%
Banque Belge Ltd.	15½%	Midland Bank	15½%
Banque du Rhone et de la Tamise S.A.	16 %	■ Samuel Montagu	15½%
Barclays Bank	15½%	■ Morgan Grenfell	15½%
Beneficial Trust Ltd.	16½%	National Westminster	15½%
Bremar Holdings Ltd.	16½%	Norwich General Trust	15½%
Bristol & West Invest.	17 %	P. S. Refson & Co.	15½%
Brit. Bank of Mid. East	15½%	Roxburghe Guarantee	16 %
■ Brown Shipley	15½%	E. S. Schwab	16 %
Canada Perm't Trust	16 %	Slavenburg's Bank	15½%
Cavendish G'ty T'st Ltd.	16 %	Standard Chartered	‖15½%
Cayzer Ltd.	16 %	Trade Dev. Bank	15½%
Cedar Holdings	16 %	Trustee Savings Bank	15 %
■ Charterhouse Japhet	16 %	TCB Ltd.	15½%
Choulartons	18 %	United Bank of Kuwait	15½%
Citibank Savings	¶15 %	Whiteaway Laidlaw	18 %
Clydesdale Bank	15½%	Williams & Glyn's	15½%
C. E. Coates	16 %	Wintrust Secs. Ltd.	15½%
Consolidated Credits	15½%	Yorkshire Bank	15½%
Co-operative Bank	*15½%		
Corinthian Secs.	15½%		
The Cyprus Popular Bk.	15½%		
Duncan Lawrie	15½%		
Eagil Trust	15½%		
E. T. Trust Limited	15½%		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	16 %		
Antony Gibbs	15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month 14.25%. Short term £8,000/12 months 16.60%.
† 7-day deposits on sums of £10,000 and under 13½%, up to £50,000 14% and over £50,000 14½%.
‡ Call deposits £1,000 and over 13½%.
§ Demand deposits 14%.
‖ 21-day deposits over £1,000 15%.
¶ Mortgage base rate.

Ansbacher chairman's warning

SIR SAMUEL GOLDMAN, the chairman of merchant banker, **Henry Ansbacher Holdings**, says in his interim statement that the group's operating profits for the six months to September 30 1981 are "somewhat below those for the comparable period of 1980."

He says additional expenditure has been incurred in developing and exploring new areas of activity for the group. In the last full year, the group reported pre-tax profits of £887,000 (£814,000).

McInerney Props. ahead

Pre-tax profits of **McInerney Properties**, the Irish-based building group with interests in the UK, the U.S. and the Middle East, have risen from I£487,000 to I£546,000 for the first half of 1981, on turnover of I£18.2m, compared with I£20.6m.

SPAIN

November 6	Price %	+ or −
Banco Bilbao	330	+3
Banco Central	325	+8
Banco Exterior	310	+2
Banco Hispano	316	+3
Banco Ind. Cat.	117	
Banco Santander	382	+7
Banco Urquijo	216	+2
Banco Vizcaya	349	
Banco Zaragoza	220	
Dragados	154	+8
Espanola Zinc	70	
Fecsa	70.2	+1
Gal. Preciados	32	−2
Hidrola	82.5	+2.5
Iberduero	59.5	+0.5
Petroleos	101	−1
Petroliber	82	
Sogefisa	51	
Telefonica	78	
Union Elect.	76.5	+2.5

Grampian TV hit by higher staff and programming outlay

DESPITE MUCH lower Exchequer levy of £16,000 against £114,000, higher staff and programming costs left profits of Grampian Television behind at £256,117 pre-tax for the six months ended August 31 1981 compared with £288,115.

Prospects for the second half are favourable, directors state, and contrary to previous expectations, profits after the levy are unlikely to fall short of those for last year. For the whole of the 1980-81 year the pre-tax surplus was £516,000.

Mr Alex Mair, chief executive, says the turnover rise, from £3.3m to £3.82m, is satisfactory, pointing out that Grampian will not be paying Exchequer levy next year, when the threshold is raised from the current £250,000 to £600,000.

He states that staff costs rose by around £300,000 which included an extra 32 people taken on since August last year.

The interim dividend is maintained at 1p net per 10p share—last year's final was 1.75p.

Glenburnie Properties, wholly-owned subsidiary again traded successfully, the directors say, and contributed £80,524 (£72,968) to profits.

After tax, lower at £119,000 against £154,715, net profits came out just ahead at £137,117 (£133,400).

Launch costs hinder Goldberg

HEAVY LAUNCH costs for a store in Blackpool are identified by **A. Goldberg and Sons**, the Glasgow-based department store operator, as a major factor in its steep plunge in pre-tax profits to £103,000 for the half-year to September 26 1981, against £543,000.

This was in spite of interest charges brought down from £224,000 to £142,000 and sales, excluding VAT, up from £13.84m to £14.28m.

The interim dividend is nonetheless maintained at 1.294p net per 25p share. Last year a total of 5.25p was paid on taxable surplus of £1.81m.

Stated earnings per share dropped from 2.1p to 0.3p.

The board says the company's financial position remains strong and steps have been taken to strengthen its merchandising and marketing. A new subsidiary is being set up to develop and expand its credit business on a more profitable basis, and a substantial increase in volume is anticipated there.

The company's borrowing requirement is likely to show a corresponding increase, for which banking facilities are available.

In addition to the initial trading losses in Blackpool the effect of the recession has continued to be especially severe in the central industrial belt of Scotland, where many of the Goldberg outlets are concentrated.

The consequent reduction in demand confounded by unseasonal weather has had an impact on sales, promotion costs and margins, the directors say, while the inflationary pressure on overheads has continued.

The pre-tax profits came after somewhat higher charges for depreciation, at £400,000 compared with £384,000. Tax took £53,000 (£190,000).

Associate aids surge by Energy Finance midway

A 25 PER CENT advance in pre-tax profits, from £179,680 to £225,276, has been achieved by **Energy Finance and General Trust Holdings** for the six months to September 30 1981. This comes with a £26,919 contribution from Transatlantic Oil, a new associate in which it has a 40 per cent interest.

The interim dividend is being repeated at 0.6p net per 10p share and Mr Denis Barkway, chairman of this Unlisted Securities Market company, says he remains "quietly confident" of its ability for continued growth.

Earnings per share are given as 1.88p (1.31p) undiluted and 1.68p (1.31p) fully diluted.

With an increase in corporate finance activities, group income moved strongly upward from £391,130 to £604,715. Progress is being maintained by Transatlantic and by English American Oil and Gas Corporation, its wholly-owned Texas subsidiary which has reached agreement in principle to acquire interests in oil and gas producing properties at a cost of some $1.2m.

Although a number of conditions have yet to be satisfied in this regard, the board envisages that the purchase will be paid for in cash and an issue of Energy Finance shares.

Unrealised currency gains of £185,881 (£7,774) have been kept as a separate reserve and are not included in the profit figures. Net assets at the half-year amount to £1.83m (£1.57m).

Tax, provided for at the full rate, took £105,839 (£92,952), although it is believed likely that a substantial part of this will not be currently payable. Attributable profits emerged at £107,493 (£74,694).

After bringing forward unappropriated profits of £316,577 (£227,728) and paying dividends of £34,343 (£38,073) retained profits total £401,671 against £276,378.

The taxable figure for the year to March 31 1981 was £383,775.

Delyn cuts its operating losses

Lower operating losses of £40,000 compared with £119,000 are reported by **Delyn**, the London packaging products company, for the half-year to August 2 1981. Turnover was down from £2.62m to £2.21m.

Mr Geoffrey Fisher, the chairman, says the results reflect the re-organisation to reduce involvement in the unprofitable part of the company's business that has now been implemented, and it has also effected the consolidation of all its manufacturing operations in Caerphilly, South Wales.

He says the company is now in a position to expand its activities according to the plan previously outlined to shareholders.

He is confident that the final results will show an upward trend, but in common with other companies it would not be prudent to be specific. It is proposed to change the name of the company to Delyn Packaging.

Fortnum & Mason loss similar after 28 weeks

Taxable losses of department store Fortnum and Mason were little changed at £123,000 for the 28 weeks ended August 15 1981, against £128,000 for the corresponding 26 weeks. Turnover amounted to £3.53m, compared with £3.3m.

Mr G. H. Weston, chairman, says the second half, which includes the Christmas period, is of vital importance and he is hopeful of more buoyant sales. He adds, however, that non-recurring expenses and disruption from refurbishment have to be borne in this period.

Given these uncertainties he feels it impossible to forecast the full-year's outcome, although directors believe trading results will continue to improve.

The interim dividend is maintained at 3.5p net per £1 share—last year's final distribution was £19.72p paid from pre-tax profits, lower at £119,000 against £578,000.

Mr Weston explains that the difficult trading conditions of 1980 have continued in the current year: aggregate sales were below plan. He adds that overhead expenses are now under "strict budgetary control" which helped to reduce losses.

The programme of refurbishment in the grocery department has been started and the first phase, incorporating the new bakery, wine and confectionery departments has been completed. These new departments opened on schedule and are trading successfully, the chairman states.

Pre-tax figure included interest receivable of £183,000 compared with £234,000, and after tax credits of £186,000 (£121,000) the net figure was a £63,000 profit, against a £7,000 loss.

BRITISH INDS.

Revenue after tax of British Industries and General Investment Trust rose from £251,041 to £265,396 in the year to September 30, 1981. The tax charge was £174,134 (£147,557). The final dividend is unchanged at 0.5p for a total of 5p (5.3p, including special non-recurring payment of 0.3p). Net asset value per 25p deferred share was 169.75p (170.75p).

Speedwell Gear dives further into the red

Losses of £391,541, compared with £117,472; at the pre-tax level are reported by the Speedwell Gear Case Company for the year to July 31 1981. Turnover of this Birmingham-based sheet metal engineer fell from £1.84m to £1.13m. Again no dividend is being paid.

There was a tax credit of £8,362 compared with £54,207. Loss per 25p share is shown as 37.48p (6.7p).

After an extraordinary credit of £23,460, which included a profit of £155,804 on the sale of fixed assets, and redundancy costs of £52,208, the loss was £359,719 (£63,265).

Land and buildings were valued at £480,000 on July 31 1981 giving a surplus of £31,590.

SCHLESINGER/BRITANNIA

At a meeting of holders of units of Schlesinger Investment Trust Units, the extraordinary resolutions to effect the scheme of amalgamation with Britannia Unit Fund of Investment Trust Shares were passed.

The scheme of amalgamation will be implemented on November 25.

APPOINTMENTS

Harrison & Crosfield makes board changes

HARRISONS AND CROSFIELD states that Mr D. R. Mathews on reaching the age of 70 has resigned from the boards of the companies of which he was chairman: Castlefield (Klang) Rubber Estate, Holyrood Rubber, Hongkong (Selangor) Rubber, Killinghall (Rubber) Development Syndicate, and The Kuala Selangor Rubber Company. Mr J. McLeod has been appointed a director of the above-mentioned companies and chairman of the board of Castlefield (Klang) Rubber Estate. Mr P. T. Gunton, a director of these companies, has been appointed chairman of the other companies. Mr Mathews has also resigned as a director of Harrisons Malaysian Estates, and London Sumatra Plantations.

★

Mr Hugh de Beauchamp Lawson Johnston has resigned as chairman and a director of PITMAN. Mr Ian F. Donald has also resigned as a director. Mr Peter Pitman continues as deputy chairman.

★

Mr D. J. Ewart has been appointed to the board of MORGAN GRENFELL AND CO. from January 1. He will join the corporate finance division of the bank as an executive director. Mr Paul Gold, formerly with Credit Suisse First Boston, will be joining the Eurobond division as a senior assistant director.

★

Dr Victor Colter, chief geologist of the British Gas Corporation, is to join FLOYD OIL PARTICIPATIONS, the British independent oil and gas exploration company, as an executive director early next year. It is intended that in due course he should become managing director, says the company. The present managing director, Mr Michael Lofting, will remain a director and will continue to be active as a consultant in seeking exploration opportunities.

★

Mr Peter Hickson has been appointed managing director of HOULDER OFFSHORE.

★

Mr Paul Connellan, general manager Galleon Coaches and Galleon Travel Services; Mr Jerry Mallet, general manager Galleon Hotels; and Mr Graham Cryer, formerly group financial controller, who now becomes group financial director, have all been appointed to the board of the parent company GALLEON WORLD TRAVEL.

★

QUEENS MOAT HOUSES states that Mr Leonard Barnfather is resigning from the board to become more directly involved in management of the group's hotels. From October 31 Mr Barnfather, who has been group operations director since 1977, will manage two of the group's hotels — the newly-acquired Hemel Hempstead Moat House and the Stevenage Moat House under the group incentive scheme.

★

Mr A. J. Dover (sponsored by Carreras Rothmans) and Mr S. O. Forrest (sponsored by Lucas Industries) have been elected directors of EMPLOYMENT CONDITIONS ABROAD.

★

LILLY INDUSTRIES, Basingstoke, has appointed Mr Graham Bolton as director, marketing personnel. He was director of engineering and later personnel with associate company Dista Products, Speke. The company is a subsidiary of Eli Lilly, U.S.

★

Mr K. S. Murdoch, an assistant general manager, branch administration, east area, BANK OF SCOTLAND, retires on December 15. Mr Alexander Mackie, manager, banking department, head office and Grassmarket, Edinburgh and joint manager, George IV Bridge, Edinburgh has been appointed an assistant general manager, branch administration, east area from November 16. Mr W. W. C. Syson, manager at New Town, Edinburgh, has been appointed head office manager, head office and Grassmarket, Edinburgh and joint manager at George IV Bridge, Edinburgh from November 16. Mr James Stark, an assistant manager at London chief office, has been appointed manager at New Town, Edinburgh in succession to Mr Syson.

★

Mr Richard Banz has been promoted to executive director at CHASE MANHATTAN. He continues to be responsible for Eurobond placements and sales. In addition, Mr Gordon Anderson has been promoted to associate director. He is CML's international capital markets

Mr Piers Godfrey has been appointed a director of RIVER AND MERCANTILE TRUST.

★

Mr G. Austin Davis has been appointed a director of BRACKEN KELNER AND ASSOCIATES, management consultants.

★

Mr Tony Card who was with JOHN BROADWOOD AND SONS from 1951 to 1971 rejoins the company as executive director on December 1.

★

Mr Roland F. Barnes, GENERAL ACCIDENT'S executive representative in London retires on November 30, after 45 years' service. Mr Ken Brookes, London area manager, has been appointed London manager from December 1. He will retain his present responsibilities and will also assume those of the executive representative in London. Mr John T. Wood has been appointed assistant London area manager.

★

Mr David Nye has been appointed vice-president to co-ordinate the new financial services division of CHEMICAL BANK in London. He was formerly an executive director and secretary of the bank's London-based merchant banking subsidiary, Chemical Bank International.

THE TRING HALL USM INDEX
113.2 (+0.1)
close of business 6/11/81
BASE DATE 10/11/80 100
Tel: 01-638 1591

CORAL INDEX
Close 492-497 (−9)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14¾	½-year	1,000	1-3

WORLD STOCK MARKETS

Dow dips 5 on jobless rise

FURTHER LOSSES were recorded on Wall Street yesterday, following profit-taking and disappointment over the jump in October unemployment to 8 per cent, the highest level in nearly six years.

By 1 pm the Dow Jones Industrial Average was down another 4.85 to 854.26 reducing its rise on the week to 1.71. The NYSE All Common Index, at $71.40, shed 30 cents on the day but was still up 85 cents on the week. Declines led advances by just under two-to-one in a volume of 31.34m shares.

Investors are also concerned about the duration of the U.S recession following the rise in unemployment.

Among declining issues, **Baxter Travenol Laboratories** lost $1⅞ to $62⅞. **Lockheed** $2½ to $36¾ and **Southern Natural Resources** $1⅝ to $29¼.

But many of the largest price changes were *gains. Insurers* **Ina Corp.** and **Reliance Group** each rose $1⅞ to $49½ and $90¾ respectively. **Chicago Milwaukee** $1⅞ to $60⅞, **Southern Pacific** $1⅜ to $39, **General Portland** $2½ to $44, **Levitz Furniture** $1⅛ to $36⅜ and **Marathon Oil** $2⅛ to $85⅞.

Diamond International jumped $6⅛ to $36⅛—James Goldsmith's *Cavenham* plans to raise its stake in the company.

Cities Service picked up $2⅞ to $52⅛—the company could not account for the gain.

Oak Industries fell $2½ to $31⅞—it is calling its 11 per cent Convertible Debentures. **American Medic International**, which said it will offer $80m of Convertible Debt, gave up $1 to $26⅜.

THE AMERICAN SE Market Value Index was up 1.22 to 325.34, making a rise of 13.32 on the week. Volume 3.26m shares.

Adams Resources gained $1½ to $18½ — a well in the Giddings field in Houston flowed 9.6m cubic feet of natural gas and 366 barrels of condensate daily, and the company is extending a well in Waller County down to 20,000 feet after failing to find hydrocarbons in the first 18,500 feet.

Closing prices for North America were not available for this edition.

Canada

Stock prices were mostly mixed around noon yesterday, with *only Golds and Real* Estates showing firm gains.

The Toronto Composite Index inched up 0.5 to 1,907.2, while Golds advanced 76.0 to 3332.7 and Banks firmed 2.11 to 350.78. But Metals and Minerals lost 7.5 to 1766.2. Oil and gas 6.6 to 3736.5, Papers 1.64 to 176.42 and Utilities 0.94 to 223.66.

Dome Petroleum eased $¼ to $14—it announced takeover terms for **Hudson's Bay Oil**, up $¼ to $47¾.

Australia

Buying was strong in all sections after a week of steadily rising business. Trading was marked by *several big lines of* stock changing hands, indicating that some large buyers, such as overseas investors and Institutions, may have returned to markets.

Minings, which showed signs of faltering Thursday, saw renewed buying with rises outnumbering falls two-to-one.

Among Oil and Gas explorers, **Santos** were up 6 cents at A$5.46, after A$5.54. **Weeks Petroleum** rose 18 cents to A$5.08 and **Crusader** 10 cents to A$5.30. *North Kalgurlie firmed 2 cents to* A$1.30—its the target of a partial takeover by **Metals Exploration.**

Germany

Most share prices were marked down in quiet trading, with dealers citing position squaring *ahead of the weekend, scant* buying interest and the influence of the lower U.S. and Domestic Bond Markets.

The renewed weakness of *Siemens, which closed DM 2.60* lower at 209, after 207, also depressed markets.

Banks retreated under the effect of the weaker Bond *Market.*

Preussag lost DM 2.5 to 205.2—it dropped its bid for the outstanding shares of **Amalgamated Metal.**

On the Domestic Bond Market, Public Authority Bonds lost on average 0.40 percentage points and in a few extreme cases three full points. The Bundesbank bought *DM 75m of stock to* cushion the fall. Trading remained quiet.

Mark Eurobonds were also marked lower by 0.25 percentage points, although up about two points on the week.

Tokyo

Prices eased in moderate trading of about 310m (340m) shares.

Wall Street's decline on Thursday and growing Margin Trade debts in three major Japanese Stock Exchanges were behind yesterday's loss. In addition, reports that the Organisation of Economic Co-operation and Development (OECD) is expecting this country's current account surplus to continue growing steadily into 1983 were discouraging market players by raising possibilities of trade frictions.

Precision Instruments went down over a broad front due to speculation on poor earnings results in the first half year. **Ricoh** lost another Y23 to Y670.

Oils and other Energy-related shares were soft.

Steels and Motors faced selling pressure.

Pharmaceuticals posted brisk gains on speculation that the industry, considered heavily domestic-oriented, is unlikely to be subjected to protectionist pressure from other countries.

Such Communications shares like **Iwatsu Electric** and **Nittsuko** spurted ahead on news of brisk exports of push-button telephones.

Switzerland

Narrowly mixed with Banks generally higher.

While expectations that inflation might decline by the middle *of next year* have improved the outlook for Bonds, uncertainty about the general course of Swiss economy in 1982 conti to hurt the Stock Market.

Banks benefited from m rumours that the rates Customer Time Deposits (denfestgelder), a leading terest rate in Swiss Ban may be lowered soon. The were lowered twice last mo

Machine-makers continue be pressed by the strength c Swiss franc on the Foreign change Markets. The sect heavily dependent on its ex which effectively undergo increases with the rise o franc.

Financials and Insur moved higher but finished early highs.

Hong Kong

Lower in heavy trading. The market opened following reduction of Prime interest rate by one bank. However, share soon started to decline with shares closing at their lowe the day.

Milan

Generally higher, after coming mid-session profit- and a significant slowdo trading volume.

The Government decisi allow companies to up their real assets pro boosted prices and tradi the first part of the session profit-taking and dr demand cooled the market.

Paris

French shares were m down across a wide front i pre-weekend trading in absence of any stimulating Falls outnumbered gair 110-to-49 in the French se

Banks were generally maintained, while Metals fi mixed. Declines predom elsewhere.

In contrast to the lacl French section, Foreign were mostly favoured, esp Germans and Gold Americans closed mixed.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

GERMANY

SWEDEN

SOUTH AFRICA

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

Sime Darby to shake up loss-making Western unit

By Wong Sulong in Kuala Lumpur

SIME DARBY, the Malaysian conglomerate, is to carry out a major reorganisation of a loss-making division which is responsible for its activities in Britain, Europe and North America.

The division—the Western for Sime for some time. In the division—has been a loss-maker financial year ending June the division incurred a pre-tax loss of 5.9m Ringitt on a turnover of over 600m ringgit $260m). Sime reported a pre-tax profit of 245.4m ringgitt for the whole group last year.

The reorganisation plans were revaled at an annual general meeting of shareholders when Tun Tan Siew Sin, chairman, told shareholders in Kuala Lumpur that he had been dissatisfied with the division's performance for many years.

The western division employs about 800 people, and deals commodity trading, insurance and insurance broking, and supervises the group's manufacturing and plantation interests in India.

The chairman also clarified a provision of 48.2m ringgitt as a provision for a loss under extraordinary items in the group's annual report.

He said that the provision was made for Sime's 10 per cent stake in a Bermuda-based company involved in fishing and fishmeal processing in Mauritania, West Africa.

He said the equity stake was taken up by Sime Darby Commodities, a UK subsidiary, without reference to the Kuala Lumpur office in 1978.

Because of the high operating costs and low fish price, the Bermuda company has sold off its fleet, and now operates a single cargo ship on charter.

Barlow Rand increases annual sales and income

BY JIM JONES IN JOHANNESBURG

BARLOW RAND, the South African mining and industrial group, although affected by the world's economic recession in the year ended September 30, managed to increase turnover by 34.1 per cent to R4.57bn ($4.78bn) and operating profit by 31.2 per cent to R597.3m ($628.74m).

Mr Mike Rosholt, the chairman, said that the main reason for the narrowing of margins was a sharp decline in the group's ferro-alloy and stainless steel manufacturing operation.

Mr Rosholt said that management had no control over international export markets and in the light of this—and the high base from which the group has been operating — the year's results were considered to be satisfactory.

Manufacturing and distributing operations continued to make the largest contribution to group profits. Excluding steel manufacture and mining operations, they contributed R199.5m to attributable after-tax profit, equivalent to 77 per cent of the R259.4m after-tax total. On the other hand, the contribution to after-tax attributable profit of the ferro-alloy and stainless manufacturing operations fell to R1.5m from R19.7m in 1980.

Mining operations, which are consolidated in the group's accounts, provided an attributable profit of R34.5m compared with R27.6m in the previous year, despite weak markets for base minerals.

Since the end of the financial year the group's mining arm, Transvaal Consolidated Land and Exploration, has agreed to sell the asbestos mining operations which were acquired two years ago to a company in Gencor group.

Income from mining investments, which are not consolidated in the group's accounts, fell to R22.9m from R25.1m largely as a result of lower dividends from the gold mining companies.

A total dividend of 70 cents a share has been declared from earnings of 205.9 cents a share. In the year ended September 30 1980 earnings were 177.6 cents a share and the total dividend was 58 cents.

Daf Trucks raises Belgian investment

By Charles Batchelor in Amsterdam

DAF TRUCKS, the Dutch commercial vehicle maker, is to spend BFr 4.4bn ($117m) over the next five years to improve facilities at its cabin and axle plant at Oevel-Westerlo in Belgium. In a separate development it announced plans to start assembling trucks in the Ivory Coast.

The new spending programme will more than treble DAF's investment in Oevel from the present figure of BFr 2bn. The company plans to modernise and rationalise its plant and equipment and expand capacity.

Daf currently employs 1,500 people at the 60,000 square metre factory at Oevel. Its entire production is sent to Daf's main plant in Eindhoven where the company makes trucks in the nine tonnes and upwards range.

Daf plans to set up a new assembly unit in the Ivory Coast to be called Ste Ivoirienne d'Assemblage et de Fabrication (Sidaf). Daf will take 60 per cent of the new company for an investment of Fl 13m ($5.3m) while the remaining shares will be held by Daf's present importer, Farhat Frères.

Sidaf will employ 90 people making 85 vehicles annually rising later to 200 vehicles.

National Bank of Kuwait takes control of Frab Bank

BY WILLIAM HALL

THE NATIONAL Bank of Kuwait, the oldest and largest commercial bank in Kuwait, has taken majority control of the Paris-based consortium bank, Banque Franco-Arabe d'Investissements Internationaux (Frab Bank).

The Kuwaiti bank is buying the shares of the European and Japanese banks in Frab Bank, which was established 12 years ago. It will then hold 51 per cent of the bank which boasts assets of around $1.3bn. The rest of the shares are held by Arab interests in Kuwait, Saudi Arabia, Libya, the United Arab Emirates, Bahrain, Tunisia, Algeria and Morocco.

The move is part of a general trend by Arab financial institutions to buy out their European partners in consortium banks. Credit Lyonnais, one of the big three French state-owned banks, has pulled out of the holding company controlling UBAF—a rival consortium bank. With the latest move by the National Bank of Kuwait, several European banks, including Societe Generale, Amro Bank and Industrial Bank of Japan and Banco Urquijo have sold their shares to the Kuwaiti bank for a sum believed to be $25m.

Offshore money fund from MHT

MANUFACTURERS HANOVER TRUST (MHT) is joining the growing number of financial institutions launching U.S.-style offshore money market funds aimed at the smaller investors, writes our Banking Correspondent.

The bank, which manages $29bn of clients' money, has through its new Guernsey-based company, Manufacturers Hanover Asset Management. The minimum investment is $10,000 and it is paying between 14½ per cent and 15 per cent gross, currently. Interest is paid half-yearly in arrears. The funds can be withdrawn at seven days' notice.

The primary objectives of the fund are safety of principal and a high degree of liquidity. The fund will invest in prime quality short-term debt such as Eurodollar certificates of deposit, time deposits and floating rate notes.

MHT is launching a second fund, Geofund Multi-currency Income Trust, which will invest in tax-free instruments and to provide investors with an exposure in a range of currencies.

Kleber to implement restructure plan

By Mark Webster in Paris

KLEBER - COLOMBES, France's second biggest tyre manufacturer, is to press ahead with the reorganisation plan proposed after its takeover by Michelin, despite strong union opposition.

M Lucien Male, Kleber's chief executive, confirmed that it would stop its loss making production of competition and heavy duty tyres and he threatened to end the company's strategically important aircraft tyre manufacturing unless the Government was prepared to help.

He told a French magazine that if the Government asked, Kleber would set up a large factory for French military and civil aircraft at Toul. But he said the company did not have the financial means to do so.

M Male said Kleber would carry out its plan to close its Colombes plant in the Paris region with the loss of more than 1,500 jobs.

The basis of the Michelin reorganisation plan is to separate Kleber's loss making tyre activities from its profitable industrial rubber undertaking. The tyre making would then be decentralised while the central services division would be streamlined.

The Government of President Francois Mitterrand may have to accept the Michelin rationalisation despite its anti-unemployment stance because there is no obvious alternative.

Ceat seeks sharp output cut

Ceat, Italy's second biggest Italian-owned tyre and cable maker after Pirelli, is to close all its plants until Christmas and will only reopen them, if its creditors' approve a 50 per cent output. A publicly appointed commissioner has taken over the running of its affairs, James Buxton writes from Rome.

The Turin-based company employs 6,000 people and has annual turnover exceeding L1,000bn ($800m). Its troubles are caused by the current weakness of the Italian market and its debt of more than L160bn.

Polaroid seeks worldwide reduction in workforce

BY DAVID LASCELLES IN NEW YORK

POLAROID, THE pioneer of instant photography, is being forced to cut its worldwide workforce by about 6 per cent because of poor business conditions. Polaroid employs 14,000 in the U.S. and about 3,000 abroad, and the cuts will mean the loss of about 1,000 jobs.

Mr William McCune, the company's president and chief executive officer, said Polaroid hoped to achieve these reductions largely by voluntary severance. But he anticipated that involuntary lay-offs would be necessary as well.

In a statement to Polaroid employees, he said that despite efforts to improve operations, "current worldwide economic conditions are having an adverse effect on our business. We do not yet foresee a major improvement in worldwide economic conditions. Accordingly I have asked the members of our senior management to re-examine their 1982 budgets and to reduce our spending plans to a more appropriate level."

There was speculation yesterday that the lay-offs might be connected with weak demand for Polaroid's new 600 Sun system on which its hopes of remaining at the head of the instant camera market depend. But an official denied this was the case. The camera has been well received, she said, though she had no specific sales figures.

After disappointments with its new instant movie camera two years ago, and the maturing of the instant camera market, Polaroid has been shaking up its management and operations worldwide. It has also been striving to develop the industrial side of its business and diversify into new areas. These efforts are, however, comparatively recent and have yet to bear fruit.

In the first nine months of this year, Polaroid's profits fell by nearly a half to $29.4m. Sales were also down, mainly because of poor demand abroad, to $924m from $990m.

Beatrice pays $600m for Northwest's drinks assets

BY PAUL BETTS IN NEW YORK

BEATRICE FOODS, the Chicago-based food company, agreed yesterday to pay $600m cash for the drinks business of Northwest Industries, the industrial and consumer goods group.

The acquisition will include the Coca-Cola Bottling Company of Los Angeles and Buckingham Corporation. The Los Angeles company is one of the largest independent bottlers in the U.S. as well as a major distributor of bottled water. Buckingham is the U.S. importer of Cutty Sark Scotch whiskys, Finlandia vodka and several French wines.

Beatrice said yesterday that the drinks business it is acquiring from Northwest will have sales of about $575m and net earnings of about $39m this year.

For its part, Northwest said it planned to use the after-tax proceeds from the sale to buy back additional shares of its own company and repay long term variable interest rate debt.

Beatrice said it plans to divest its present soft drink bottling operations, of which Royal Crown Cola is the largest brand, and is currently negotiating with prospective buyers.

Kvaerner sees profit rise

BY FAY GJESTER IN OSLO

THE NORWEGIAN Kvaerner group, with interests in shipbuilding, oil platform fabricating, heavy engineering, and gas tanker operations, foresees a marked rise in profits before extraordinary items this year—to about NKr 150m ($25.6m) compared with NKr 104m in 1980. Turnover is expected to reach NKr 3.8bn (NKr 3.05bn) according to the eight-month report.

Orders booked in the January - August period reached NKr 4.7bn — more than twice the figure for the same eight months last year. Within this figure, some NKr 729m reflects the recent takeover by the group of a small shipyard in east Norway, Fredrikstad Mek Verksted.

Among the contracts concluded in the latter half of the period was one worth NKr 95m for an unmanned platform for the North-east Frigg gas field in the North Sea, and one worth NKr 82m for a processing plant to be installed at the Mongstad refinery on Norway's west coast. The new plant, a turnkey project, will produce lead-free high octane petrol.

Far East Hotels in property deal with Rank

By Our Hong Kong Correspondent

FAR EAST HOTELS and Entertainment, the hotels and resorts subsidiary of Mr Deacon Chiu's Far East Group, has announced the purchase of two European hotels an da stake in a Hong Kong television station for approximately HK 122.98m (US$21.5m).

Mr Dick Chiu, the managing director of Far East Hotels, said the company purchased the 300-room Royal Windsor Hotel in Brussels and the 110-room Westminster Hotel in Paris from the Rank Organisation of the UK for HK$62m. Both hotels will be managed by Warwick International Hotels which is a wholly-owned subsidiary of Far East Hotels.

Far East Hotels also purchased a 10.5 per cent interest in both Television Broadcasts and Television Enterprises from the Hongkong and Shanghai Corporation for about HK$60m.

The announcement accompanied the company's interim results for the six months ended June 30 which increased 65 per cent to HK$17.13m.

COMMODITIES/REVIEW OF THE WEEK

Support buying fails to lift cocoa price

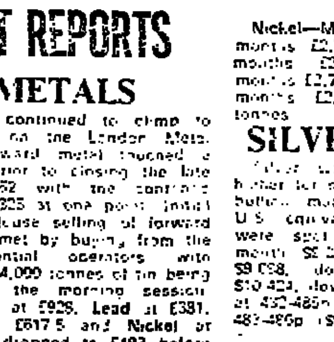
BY OUR COMMODITIES STAFF

THE INTERNATIONAL Cocoa Organisation's buffer stock manager re-entered the cocoa market this week after a three-week break but his support buying did not have the desired effect. After a brief upward movement the established bearish tone of the market was resumed and the March position on the London futures market ended £19 down on the week at £1,149.50 a tonne.

Initial attempts at supporting the market were abandoned early this month after only eight days of buffer stock operations during which prices persisted on their downward path. In the meantime the buffer stock manager has been given permission to negotiate terms for borrowing extra money to augment the $230m carried forward from the last cocoa agreement and has been allowed more flexibility in his buying operations.

News that he was re-entering the market led to a more bullish mood early in the week but this was quickly dispelled when only 2,920 tonnes was purchased for the buffer stock, well below the daily 10,000 tonnes limit, let alone the 35,000 tonnes weekly limit.

Increased world crop forecasts encouraged a further fall in sugar prices. Most influential was a U.S. Agricultural Department projection for a 95.8m tonnes crop in 1981/82. This superceeded an earlier 90-94m tonnes estimate and compared with actual production of 86.1m tonnes in the 1980/81 season.



The Department forecast a rise in consumption from the 89.1m tonnes registered in 1980/81 but said this would not be enough to prevent another large addition to world stocks.

On the London futures market the March position ended the week £3.55 down at £165.05 a tonne.

Coffee had a quiet week with the January position on the London futures market ending £16.50 higher at £1,142 a tonne.

This was enough, however, to lift the International Coffee Organisation's indicator price above 120 cents a pound for the first time this season. If that level is maintained it will result in the avoidance of a 1m bags cut to 13m bags (60 kilos each) in the January-March global export quota. The cut could still come into effect, however, if the price falls back below 120 cents after December 1.

The natural rubber market was strengthened by news that the International Natural Rubber Organisation had made its first purchases under the current agreement after its market indicator price fell below the lower intervention level of 178.5 Malaysian/Singapore cents a kilo.

On the London physical rubber market the spot quotation ended 1.5p up on the week at 56p a kilo.

The main interest on the London Metal Exchange this week was continued buying of tin, at ever increasing levels, by the mystery buyer who has been supporting the market in recent weeks. Cash standard tin ended £108 up at £8,240 a tonne, defying the general depressed tone in other metals.

Dealers reported yesterday that the mystery buyer's support level, which began the week at £8,400 a tonne for three months metal, appeared to have been lifted to £8,550 a tonne.

Zinc prices came under pressure as traders forecast an early settlement of the strike at Ireland's Tara Mines which has been holding up concentrate supplies to European smelters in recent weeks. Cash metal ended £19.25 lower on the week at £486.50 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1100/1150	—	$1530/560	$1600/1650	$1095/125
Antimony	$2525/2625	-15			
Free Market 99.6%			$3,200/250	$3208/3260	$2525/625
Copper Cash Wire Bars	£898.75	-13.75	£817.5	£1,023.5	£755
3 months Do. Do.	£926.75	-14	£845.25	£1,052.75	£777.5
Cash Cathodes	£892	-13	£796.5	£1,025	£748.5
3 months Do	£920	-15	£824.5	£1,046	£765.5
Gold per oz	$428	—	$598.5	$601	$390
Lead Cash	£369	-8.5	£335.25	£502	£273.75
3 months	£382.5	-8.75	£346.5	£499.5	£285.25
Nickel	£4,219.60	—	£3,115	£4,219.60	£3,156
Free Market c.i.f. lb	225/275c	-10	285/310c	295/310c	225/275c
Platinum per oz	£260		£302	£260	£202
Free Market per oz	£221.85	-3.65	£251.15	£260.90	£185.60
Quicksilver (76lbs.)	$422/427	+2	$403/412	$428/438	$355/365
Silver per oz	482.95p	-10.95	720.90p	671.20p	428.50p
3 months per oz	500.80p	-11.10	748.60p	695.70p	441.20p
Tin cash	£8240.0	+108	£6635	£8,455	£5,700
3 months	£8551.5	+190	£6737	£8,551.5	£5,865.5
Tungsten Ind.	$142.61	—	$146.72	$149.08	$140.56
Wolfram 22.04 lb	$133/138	-5	$142/145	$151/155	$133/138
Zinc cash	£486.5	-19.25	£426.5	£553.5	£306.5
3 months	£500.25	-20.25	£437.25	£566.5	£318.25
Producers	$1000	—	$823	$1000	$823
GRAINS					
Barley Futures	£104.15w	+0.35	£97.10	£105.30	£94.40
Maize French	£127.25	—	£119.50	£130.00	£119.75
WHEAT Futures	£108.80 w	+0.20		£121.10	£99.10
Hard Winter Wheat	‡	—	£103.25	£124	£102.0
SPICES					
Cloves (g)	£5,900u	-100	£4,100	£6,000	£3,800
Pepper, white	$2,000u	-25	$2,175	$2,150	$1,850
" black	$1,275u	-125	$1,625	$1,650	$1,225
OILS					
Coconut (Philippines)	$575u	-5	$635	$640	$520
Groundnut §	$805u	-20	‡	‡	‡
Linseed, Crude	‡		£407	£460	£400
Palm Malayan	$500y	-10	$580	$645	$500
SEEDS					
Copra (Philippines)	$355	—	$390	$430	$335
Soyabeans (U.S.)	$265	+4	$359.5	$340	$258
OTHER COMMODITIES					
Cocoa Shipment §	£1,227	-16	£968	£1,416	£850
Cocoa Futures Mar.	£1,149.5	-19	£927.5	£1,315	£789.5
Coffee Futures Jan.	£1142	+16.5	£988	£1,167.5	£733.5
Cotton Index	74.95c	+0.3	98c	101.15c	74.15c
Des Coconut	£610	-10	£640	£680	£610
Gas Oil Fut. Nov.	$323.5	-2	£221	$326.5	$268
Jute UJ ABW C grade	£262u	-3	‡	£283	£219
Rubber kilo	56p	+1.5	60p	65.25p	51.5p
Sago Pearl	£232u	—	£197	£252	£197
Sisal No. 1	£670u	—	$780	$780	$670
Sugar (Raw)	£157u	—	£390	£315	£152
Tapioca No. 1	£228u	—	£212	£235	£207
Tea quality kilo	117p	—	140p	130p	117p
(plain) kilo	82p	-1	60p	87p	59p
Wooltops, 64s Warp	380p kilo	-10	287p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (y) Dec. (v) Oct/Nov. (w) Jan. (u) Nov/Dec. * Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

TIN VALUES continued to climb to record levels on the London Metal Exchange. Forward metal touched a peak £8,555 prior to closing the late kerb at £8,552 with the contango widening to £325 at one point. Initial Commission House selling of forward tin was well met by buying from the recent influential operators with approximately 4,000 tonnes of tin being purchased in the morning session. Copper closed at £928, Lead at £381, Aluminium at £617.5 and Nickel at £2,795. Zinc dropped to £493 before closing at £500.5 on rumours of an imminent return to work at Tara Mines.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	900.5	+1	898.5-9	1
3 mths	927.5-8	...	926.5-7	-3
Settlem't	900.5	-1		...
Cathodes				
Cash	895.5	-1	891.5-2.5	-2
3 months	924.5	.5	919.5-20.5	-5
Settlem't	895.5	-1		
U.S. Pr.			*82.75	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £900.00, three months £927.00, 27.50. Cathodes, three months £922.00. Kerb: Wirebars cash £900.00, three months £928.00. Afternoon: Wirebars cash £899.50, 99.00, three months £927.00, 27.50, 27.00, 26.50. Kerb: Wirebars, three months £926.50, 27.00, 28.00. Turnover: 21,150 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8235-45	+32.5	8235-45	-35
3 months	8550-5	-30	8551-2	-51
Settlem't	8245	-35	—	...
Standard				
Cash	8255-45	-32.5	8235-45	-35
3 months	8550-5	-30	8551-2	-51
Settlem't	8245	-35	—	...
Straits E.	$535.60	-0.01		...
New York		...		

Tin—Morning: Standard cash £8,230, three months £8,500, 01, 02, 30, 50, 55, 50. Kerb: Standard, three months £8,551, 50. Afternoon: Standard, three months £8,551, 50, 57, 51, 52. Kerb: Standard three months £8,551, 50, 51. Turnover: 2,985 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	368.5	-7.25	368.5-9.5	-5.25
3 months	381.5-2	-2	382-3	-2.75
Settlem't	368.5	-7.5		
U.S. Spot			*30-40	

Lead—Morning: Cash £368.50, three months £379.00, 80.00, 82.00, 83.00, 82.00. Kerb: Three months £381.00, 81.50, 82.00. Afternoon: Three months £381.00, 80.00, 80.50, 81.00, 82.00. Kerb: Three months £381.00, 80.20, 81.00. Turnover 10,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	485.5-6	-12.2	486-7	-10
3 months	500-1	-11.7	500-.5	-11
S'ment	486	-12		
Primw'ts			*45.5-50	

Zinc — Morning: Three months £490.00, 95.00, 94.50, 92.00, 98.00, 97.00, 98.00, 99.00, 98.50, 99.00, 500.00, 500.50. Kerb: Three months £499.00, 99.50, 99.00. Afternoon: Three months £500.00, 01.00, 01.50. Kerb: Three months £501.00, 500.50. Turnover: 14,350 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	592.5	-1.5	592.3	-.5
3 months	617.5	-2.5	617.5	-1

Aluminium—Morning: Three months £617.50, 18.00, 17.50, 18.50. Kerb: Three months £617.00, 17.50. Afternoon: Three months £617.00, 17.00. Kerb: Three months £617.00, 16.00. Turnover: 7,350 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2720-30	-35	2715-6	-12
3 months	2780-5	-32.5	2785-90	-15

* Cents per pound. ‡ $M per kilo. † On previous unofficial close.

Nickel—Morning: Cash £2,720, three months £2,790, 85, 90. Kerb: Three months £2,785. Afternoon: Three months £2,780, 82, 92, 90. Kerb: Three months £2,785, 90. Turnover: 654 tonnes.

SILVER

Silver was fixed 0.05p an ounce higher for spot delivery in the London bullion market yesterday at 482.95p. U.S. cent equivalents of the fixing levels were: spot $9.245, down 2.5c; three-month $9.567, down 2.6c; six-month $9.898, down 2.5c; and 12-month $10.423, down 4.5c. The metal opened at 482-485p ($9.05-9.10) and closed at 483-486p ($9.07-9.12).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	482.95p	+0.05	485.5p	-0.5
3 months	500.80p	-0.40	503.5p	+0.25
6 months	518.40p	+0.40	—	
12months	556.40p	-1.90	—	

LME—Turnover 126 (74) lots of 10,000 ozs. Morning: three months [illegible]. Kerb: nil. Afternoon: three months [illegible]. Kerb: three months [illegible].

COCOA

[illegible] at the opening futures [illegible] little buying at the [illegible]. Prices [illegible] during the early morning, [illegible] bears and producers but interest waned immediately. [illegible] reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
Dec	1150-52	-1.5	1152-37
March	1149-50	-6.0	1155-38
May	1147-49	-6.5	1149-39
July	1147-48	-5.0	1150-40
Sept	1154-58	-6.0	1157-47
Dec	1171-72	-1.5	1172-64
March	1180-200	—	

Sales: 3,478 (3,491) lots of 10 tonnes.

ICCO—Daily price for November 6: 92.27 (92.37); indicator price for November 9: 94.71 (94.62).

COFFEE

Against an easier "C" close London opened marginally lower in thin volume and mixed dealings, reports Drexel Burnham Lambert. The market returned to the recent support levels where trade buying absorbed consistent commission house selling.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1131-35	-5.5	1151-20
Jan	1141-43	-6.5	1151-35
March	1135-40	5.0	1150-35
May	1135-36	-5.5	1143-40
July	1140-41	-4.5	1143-40
Sept	1137-40	-6.0	1149-42
Nov	1130-50	-4.0	

Sales: 2,300 (2,923) lots of 5 tonnes.

ICO 1979 indicator prices for Nov 5 (U.S. cents per pound): Comp daily 125.00 (125.49); 15-day average 120.34 (118.53).

GAS OIL FUTURES

A weaker opening reflected a further easing of the physical market. U.S. commission house buying on the New York opening pushed the London market to the highs, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
November	323.00	-0.75	323.50-21.00
December	323.50	-1.25	324.00-21.00
January	323.75	+0.50	324.25-21.75
February	323.75		324.50-23.00
March	323.50	-0.50	324.00-22.00
April	322.00	-0.25	322.00
May	323.00	-1.25	322.00
June	323.00	-0.50	322.75-22.00
July	324.00	-2.75	...

Turnover: 1,551 (1,270) lots of 100 tonnes.

GRAINS

The market opened slightly lower on old crops and unchanged on new crops. Wheat traded around the opening levels and reached the highs when one shipper started to bid for Nov and Jan barley which kept barley firm throughout the day. Acli reports.

LONDON GRAINS—Wheat U.S. Dark Northern Spring No. 2 14 per cent Nov 113.50, Dec 115.25 transhipment East Coast seller. English Feed fob Nov 111, Dec 112.50 East Coast sellers. Maize: French Nov 127.25, Dec 129 quoted transhipment East Coast. S. African White Yellow Nov 56.25 seller. Barley: English Feed fob Dec 110 East Coast seller. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Nov.	106.60	-0.20	101.60	+0.65
Jan.	108.80	-0.10	104.15	-0.25
Mar.	112.40	-0.05	107.45	-0.05
May	115.80	-0.20	110.20	—
July	119.25	-0.15	—	—
Sep.	106.50	-0.05	100.85	—

Business done—Wheat: Nov 106.90-106.55, Jan 108.85-108.65, Mar 112.50-112.30, May 116.0-115.75, July no trades, Sept no trades. Sales: 114 lots of 100 tonnes. Barley: Nov 101.50-101.20, Jan 104.15-104.00, Mar 107.50-107.45, May 110.55-110.20, Sept no trade. Sales: 112 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 109.20. Feed barley: Eastern 102.20, E. Mids 100.00, N. East 100.00, Scotland 97.50. The UK Monetary Coefficient for the week beginning Monday November 9 will change to [illegible].

RUBBER

The London physical market opened unchanged, attracted little interest throughout the day and closed dull. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 222.5 (224.5) cents a kg and SMR 20 176.5 (176.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Dec.	58.30-58.20	57.60-58.50	—
Jan.	57.50-58.40	56.50-58.50	—
Jan-Mar	59.00-59.20	59.50-59.70	59.20-59.10
Apl-Jne.	62.30-62.20	63.20-63.40	61.40-61.30
Jly-Sept	65.90-66.10	65.50-66.00	66.00-66.20
Oct-Dec	69.20-69.40	69.60-70.10	69.60
Jan-Mar	72.40-72.70	73.50-73.60	73.20
Apl-Jne.	74.70-76.00	76.70-76.95	—
Jly-Sept	75.50-79.20	79.60-79.90	79.40

Sales: 125 (472) lots of 15 tonnes.

Physical closing prices (buyer) were: Spot 56.00p (55.50p); Dec 53.25p (52.75p); Jan 54.25p (54.75p).

SOYABEAN MEAL

The market opened unchanged reports T. G. Roddick and remained dull and featureless to close unchanged.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
December	129.70-30.0	+0.15	130.00-29.50
February	134.50-35.0	......	135.50-35.50
April	135.50-36.9	-0.05	—
June	137.30-38.0	-0.50	—
August	139.50-40.4	-0.05	140.00
October	141.00-41.9	+0.20	—
Dec	144.00-44.9	-0.25	

Sales: 42 (147) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £157.00 (same) a tonne cif Nov-Dec shipments. White sugar daily price £174.00 (£172.00).

Prices advanced during the morning by £1.50 but all the gains were lost later, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Jan	156.00-59.00	157.00-59.00	155.00-58.00
March	165.50-65.10	164.05-64.20	165.50-64.00
May	169.75-69.90	167.75-67.80	170.00-68.00
Aug	173.00-73.10	172.00-72.20	173.50-72.00
Oct	177.75-77.95	176.75-77.00	176.75-77.00
Jan	179.00-80.00	177.00-80.00	—
March	184.50-85.00	185.50-85.00	—

Sales: 4,242 (5,219) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.00 (same) a tonne fob for home trade and £256.5 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Price for Nov 5: Daily price 11.93 (same); 15-day average 11.69 (11.72).

AMERICAN MARKETS

NEW YORK, Nov 6

COCOA RALLIED sharply on rumours that ICCO would get financial assistance from two large trade houses for the buffer stock operation. Heating oil rallied as the UK has raised its crude oil prices. Coffee prices were lower as recent advances attracted good hedging and speculative shorts. Sugar rallied on short covering based on the potential hurricane damage to the Cuban crop, reported Heinold.

††Cocoa—Dec 1943 (1878), March 2010 (1947), May 2046, July 2066, Sept 2089, Dec 2112, March 2137. Sales: 2,709.

Coffee—"C" Contract: Dec 146.00-146.50 (149.05), March 135.10-135.20 (137.18), May 129.80-130.00, July 127.50, Sept 126.40-126.75, Dec 123.50, March 122.25-122.50. Sales: 1,910.

Copper—Nov 75.85 (75.25), Dec 76.45-76.55 (76.50), Jan 77.25, March 78.95-79.00, May 80.70, July 82.60, Sept 84.05, Dec 86.05, Jan 87.70, March 89.25, May 91.55, July 92.75, Sept 94.50. Sales: 9,000.

Cotton—No. 2: Dec 64.20-64.10 (65.17), March 66.75-66.75 (67.34), May 68.75-69.20, July 70.00-70.14, Oct 72.10-72.10, Dec 72.50, March 74.50-74.70. Sales: 7,200.

*Gold—Nov 427.7 (427.8), Dec 430.5-431.2 (431.0), Jan 435.8, Feb 440.0-441.0, April 450.0, June 461.5, Aug 471.0, Oct 482.5, Dec 493.9, Feb 504.0, April 515.0, June 526.1, Aug 537.3.

Heating oil (dollars per U.S. gallon)—Dec 1.0122, Jan 1.0228, Feb 1.0090, March 1.0055, April 1.0155, May 1.0160, June 1.0175, July 1.0190, Aug 1.0200, Sept 1.0400, Oct 1.0500. Turnover: 4,257.

Orange Juice — Nov 119.40-119.60 (121.00), Jan 121.25-121.50 (122.10), March 122.75, May 120.00-120.75, July 129.50-129.60, Sept 131.40-131.50, Nov 132.70-132.80. Sales: 1,700.

*Platinum—Nov 410.0 (405.8), Jan 417.0-412.0 (410.8), April 425.0, July 437.1, Oct 459.5.

Potatoes (round whites)—Nov 69.7-71.4 (68.5), Feb 72.5-70.5 (71.5), March 76.0-76.5, April 85.5-86.5. Sales: 955.

*Silver—Nov 922.0 (925.0), Dec 935.0, 932.0 (927.0), Jan 951.7, March 961.0-964.0, May 984.1, July 1005.0, Sept 1017.1, Dec 1057.5, Jan 1061.0, March 1082.0, May 1107.0, July 1122.0, Sept 1145.0. Handy and Harman bullion spot 912.00 (909.00).

Sugar—No. 11: Jan 11.85-11.87 (11.70), March 12.31-12.32 (12.22), May 12.58-12.60, July 12.93, Sept 13.15-13.20, Oct 13.25-13.40, Jan 13.59, March 14.02-14.03.

CHICAGO, Nov 6

Chicago Imm Gold—Nov 427.3 (430.8), Dec 431.1-432.5 (430.8), March 444.8-445.0, June 460.6, Sept 476.2, Dec 493.9, March 508.6, June 523.8, Sept 541.1.

Lard—Chicago loose 20.50 (20.25-20.50).

Live Cattle—Dec 63.72-63.77 (64.25), Feb 64.56-64.45 (64.82), April 64.70-64.75, June 65.15-65.35, Aug 64.80-64.95, Oct 62.90, Dec 64.10.

Live Hogs—Dec 47.27-47.20 (47.40), Feb 48.00-48.90 (48.15), April 47.30-47.40, June 49.80-49.85, July 50.30-50.20, Aug 49.05, Oct 47.40, Dec 48.55, Feb 49.25.

‡‡Maize—Dec 284-284½ (286½), March 299-299½ (304½), May 313¼-313½, July 321-321½, Sept 327, Dec 332¼-332½.

Pork Bellies—Feb 69.50-69.00 (69.95), March 69.20-69.20 (69.70), May 69.70-[illegible], Aug 70.17.

‡‡Soyabeans—Nov 634-634½ (652½), Jan 647-648 (667½), March 667¾-669, May [illegible], July 724, Aug 728½-727, Sept [illegible], Nov 724.

Soyabean Meal—Dec 191.2-191.3 (191.0), Jan 194.3-195.2 (194.8), March 200.5-200.3, May 205.5, July 210.0-210.5, Aug 210.5-210.0, Sept 211.0-212.0, Oct 211.0-212.0, Dec 215.0-216.0.

Soyabean Oil — Dec 20.93-20.91 (21.17), Jan 21.22-21.20 (21.55), March 21.80-21.80, May 22.40, July 22.90, Aug 23.00-23.05, Sept 23.05, Oct 23.70, Dec 23.47.

‡‡Wheat—Dec 429½-429 (436), March 464¼-464½ (464½), May 473-473½, July 480½, Dec 499½-499.

WINNIPEG, Nov 6

§Barley—Dec 119.80 (121.70), March 127.20 (129.10), May 131.70, July [illegible].

§§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 250.09 (250.58).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. † Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. ‡‡ $ per metric ton.

Thursday's closing prices

††Cocoa—Dec 1878 (1912), March 1947 (1981), May 1995, July 2005, Sept 2029, Dec 2051, March 2070. Sales: 2,573.

Coffee—"C" Contract: Dec 149.50-149.75 (149.71), March 137.10-137.25 (130.36), May 131.10-131.50, July 129.61-129.70, Sept 127.00, Dec 124.00, March 122.75-123.00. Sales: 2,620.

Cotton—No. 2: Dec 65.15-65.20 (65.41), March 67.17-67.20 (67.57), May 69.00, July 70.75, Oct 72.00-72.70, Dec 73.00-72.60, March 74.75. Sales: 4,750.

Orange Juice—Nov 121.00 (117.35), Jan 120.25-120.50 (120.30), March 125.70-125.75, May 129.00, July 131.80-132.20, Sept 132.20-133.60, Nov 134.30-134.40. Sales: 1,600.

CHICAGO, Nov 5

Chicago Imm Gold—Dec 430.6-431.0 (433.4), March 445.2-445.3 (448.7), June 460.1, Sept 477.0, Dec 493.7, March 510.0, June 526.5, Sept 543.2.

INDICES

FINANCIAL TIMES

Nov. 5	Nov. 4	Month ago	Year ago
258.01	258.15	259.03	271.67

(Base: July 1, 1952=100).

MOODY'S

Nov. 5	Nov. 4	Month ago	Year ago
997.7	997.9	1015.7	1325.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Nov. 5	Nov. 4	Month ago	Year ago
Spot	359.42	357.75	352.45	477.55
Fut'rs	376.51	375.92	370.66	496.45

(Average 1924-25-26=100)

REUTERS

Nov. 6	Nov. 5	M'nth ago	Year ago
1636.6	1640.5	1652.0	1746.6

(Base: September 18, 1931=100)

POTATOES

LONDON POTATO FUTURES—Further buying interest in November moved the price up to close on the high. February and April again attracted sellers, reports Coley and Harper. Closing prices: Nov 82.50, +2.10 (high 82.50, low 79.00); Feb 89.00, -0.50 (high 89.50, low 89.00); April 101.90, -0.80 (high 102.70, low 101.90). Turnover: 265 (242) lots of 40 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business) Australian cents per kg. Dec 489.6, 490.0, 487.0-487.5; March 501.6, 502.0, 502.0-501.5; May 516.0, 516.0, 516.4-514.0; July 523.5, 524.0, 524.0-523.0; Oct 520.0, 521.0, 520.0-519.5; Dec 523.5, 525.0, 523.5-523.0; March 531.0, 532.0, 532.0; May 536.0, 540.0, untraded. Sales: 109.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business) New Zealand cents per kg. Dec 377, 390, nil; Jan 383, 385, 384; March 392, 394, 394; May 399, 401, nil; Aug 413, 414, 413-412; Oct 417, 419, 417; Dec 421, 422, nil; Jan 423, 425, nil; March 433, 435, 433-432; May 435, 441, nil. Sales: 24.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thurday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas markets. ϕ Bargains done previous day. $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan: $Me—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States: $WI—$West Indian.

BANKS, DISCOUNT (597)

Alexanders Discount (£1) 217
Allen Harvey Ross 270
Allied Irish Banks I£1.215 I£1.22 103 4
Ansbacher (H.) (5p) 15.2 ½
Arbuthnot Latham Hldgs. 310 (4/11)
Australia New Zealand (A$1) 318 9 20 5
Bank Ireland (Governor) I£3.35 285 90
Bank Montreal ($C2) 11¼
Bank New South Wales (Lon. Reg.) (A$1) 170 3 5. Do 163 (4/11)
Bank Nova Scotia (C$1) 11½ (2/11)
Bank Scotland (£1) 415 3 9
Barclays Bank 423 5 7 8 9 30 1 2 3‡ 3 4 5
Brown Shipley Hldgs (£1) 215 8
Canadian Imp ($C2) 12⅝
Cater Ryder PLC (£1) 295 (3/11)
Charterhouse Grp 70 ½ 2
Clive Discount Hldgs (20p) 24 5 6
Compagnie Fin De Paris De Pays-B (FR100) FR189
Continental Illinois Can ($5) 19¾ (2/11)
Deutsche Bank (DM50) $122¼
Gerrard National 252
Gillett Bros Discount PLC (£1) 217 22
Grindlays Hldgs 199 200 3‡ 5‡
Guinness Peat Grp 90 1
Hambros (5p) 151 ½‡ 2 3½‡ 6½‡. A (5p) 40 (3/11)
Hill Samuel Grp 139 40 1 2‡ 2 ½‡ 3 ½‡
Hong Kong Shanghai Bkg. ($HK2.50) 137 8 9 40 1‡ 1 ½‡. ($HK2.50) (Del div) 139
Jessel Toynbee 60
Joseph (Leopold) Hldgs (£1) 240 7 (2/11)
Kleinwort Benson Lonsdale 217
Lloyds Bnk (£1) 396 7 8 400‡ 400 2 3‡ 3 4 5 6. 7½pcUnsecLn 108½ 9 ½ 10 ½ 11¼‡ ½ ¼‡ 2‡
Mercury Securities 215 6 8 20
Midland Bank (£1) 315 6 8 20 2 3 4 5 6‡. 7½pcLn. £68 ½ 9‡ 9 ½ 70
Minster Assets 78 ½ 9
National Bank of Australasia (A$1) 182
National Westminster Bank (£1) 383 5 7 8 90 1 2 3‡ 3 4 5 6‡ 6 7 8
Ottoman Bank (Br.) (£20 with £10 Pd.) 44 (4/11)
Rea Bros. 89 90 (3/11)
Royal Bank of Canada (C$1) 11⅛
Royal Bank of Scotland Grp. 160 2 3 4 5‡ 5 6‡ 6 7 ½‡ 8 ½ 9 ½‡ ½ 70 1 2 89
Schroders (£1) 375 (3/11)
Seccombe, Marshall and Campion (£1) 200
Smith St. Aubyn (Hldgs.) 128
Standard Chartered Bank (£1) 630 2 3 5 7 40
Toronto-Dominion Bank (C$1) 13⅛ (2/11)
Union Discount Co. of London PLC (£1) 415 25 8
Wintrust (20p) 108

BREWERIES (361)

Allied-Lyons 68 ½ 9 ½ 70‡ 70
Amal. Distilled Prods. (10p) 70 2
Bass 197 8 9 200 1 2
Belhaven Brewery Gp. 26 3
Bell (A.) (50p) 130 2 4. 9½pcLn. 108 (4/11)
Boddington Brew 150 3 5
Brown (M.) 164
Buckley's Brewery 46
Bulmer (H. P.) 283 8
Burtonwood Brewery (Forshaws) 360 (4/11)
City of London Brew. Inv. Tst. Dfd. 70 1
Davenports' Brewery (Hldgs.) 142
Devenish (J. A.) 258‡
Distillers (50p) 174 5 6 7 8 ½‡ 9 80 ½ 1 ½‡ 2
Greenall Whitley 132 4 7
Greene King 264
Guinness (Arthur) 60 61 ½ 3
Highland Dists (20p) 77 8½ 9
Higsons Brewery 63 (4/11)
Invergordon Dists Hldgs 146
Irish Dists Grp (I£0.25) 51
Macdonald Martin Dists A (50p) 365 (3/11)
Mansfield Brewery (£1) 250
Marston Thompson Evershed 64½‡ ½‡ 5
Morland 180 (4/11)
Scottish Newcastle Brews (20p) 48½ 9 ½ ½ 50‡ 50 ½
Seagram (n.p.v.) $52 (3/11)
SA Brews (R0.25) 198 200 1 3
Tomatin Dists 54½ 6 7½‡ ½ 8
Vaux Brews 126 7 8 9
Whitbread A 150 2 3‡ 3 4 5 6 7. B 150
Whitbread Invest 104
Wolverhampton and Dudley 214
Young and Co Brew A Ord (50p) 230

COMMERCIAL (7,502)

A—B

AAA Industries 33
AAH 91 3‡. New 92
AB Elec. 103½ 6 7
AE PLC 38 9
AGB Research (10p) 243 5 7
Al Indus Prod 15
A.P.V. Hldgs (50p) 160. 10½ p.c. CnvUns LnStk 97 2002 160
Aaronson Bros (10p) 34 5½‡ 6
Abbey Ld (Ir0.25) I£0.48
Abercom Grp (R0.30) 168 (4/11)
Aberdeen Con. Grp 162 4
Aberthaw and Brist Chann 260 (30/10)
Abwood Machine Tools (10p) 10½ (4/11)
Acrow Non.V.A 37 8 9‡ 9 40 ½‡ 1
Acrow Enc Ptly.Unsec.Ln. £45 7½
Adams Gibbon 80 4
Adwest Group 146 8
Aero Needles Group 23½ϕ
Aeronautical Gen. 255 60
Albion (20p) 9 (4/11)
Alcan Aluminum Shs. npv 11⅞ (4/11)
Alexanders Hldgs. (10p) 11¼
Allebone Sons (10p) 23 4½
Allen (W. G.) Sons (Tipton) 46 (4/11)
Allied Colloids Group PLC (10p) 129 30 1
Allied Plant Group (10p) 14½ 5½ 6 ¼‡
Allied Residential PLC (10p) 25 7
Allied Textile Cos. 134

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (356)

INSURANCE (375)

INVESTMENT TRUSTS (416)

UNIT TRUSTS (12)

MINES—Miscellaneous

MINES—South African

OIL (748)

PROPERTY (311)

RULE 163 (2) (a)

Applications granted for specific bargains in securites not listed on any Stock Exchange.

* Denotes Irish currency.

Adnams B £10 (3/11)
Anglesea Water Auth. £24pc (3/11)
Ann Street Brewery 300 (4/11)
Aston Villa FC (1 vote) 800 900 (30/10)
Baker Electronics 23 (3/11)
Bell SecCum.Pf. 34½ (30/10)
Birmingham City FC 850 (2/11)
Cambridge Petroleum Royalties 305
Camra (Real Alc) Invs. 118
Celtic Basin Oil Expl. 155 60 (4/11)
Channel Hotels and Props. 12 (3/11)
CIC Inv.
CIC Inv. (10p)
Clairmace 10 (3/11)
Coghlans Prop. 48 50 (2/11)
Coghlans Prop. 7pcLn. £28pc 30pc (2/11)
Computer and Systems Eng. 12½ (30/10)
Conroy Pet. and Nat. Res. 190 225* (30/10)
Cunninghams. T. W. Thwaites 88 95 (2/11)
Darling Fund 145 55
Deltenne 9½ (4/11)
Dollar Land 29 30 (2/11)
Eldridge Pope A 280 (4/11)
Gaelic Oil 130 (3/11)
Galaha Ceylon Tea 12
Gale (G.) 610 5 (2/11)
Gibbs (M.) 218
Goff (Robert) J. 25* (4/11)
GRA Prop. Tst. 15 ¼
Harrison Cowley 70 (3/11)
Hemerdon Mining and Smelting 55 (4/11)
Intervision Video (Hldgs.) Pfd. 25 6 7 8
Intervision Video (Hldgs.) 7pcCnv.Pf. 95 102 (4/11)
Javelant 5 ½ (4/11)
Jenkin and Purser 4 (30/10)
Jennings Bros. 152 (4/11)
Jersey New Waterworks 12½pcDb. 1985-1987 £85pc
Jersey (States of) £71½pc (30/10)
Jessel Tst. 12½
Jessel Tst. 10pcPf. 55 (3/11)
Kent County Crematorium 120 5 (3/11)
Key City Props. 50 2 (30/10)
Lampa Sect. 4 (2/11)
Le Riches Stores 232 4 (4/11)
Lifeguard Ass. 275 82
Mainline Elect. ½ 1 (4/11)
Mainline Elect 12pcCnv.Cum. 1 (4/11)
Manchester Stock Exch. Bldgs. 325 30 (30/10)
Manchester Utd FC 165 (3/11)
Manx Petroleum 20 (4/11)
Nationwide Leisure 9½
NMW Computers 148 52
Norton Villiers Triumph 1
ORE 195 200 (4/11)
Oldham Brewery £47pc (30/10)
Ouvah Highfields 27
PMPA Insce. 40* (4/11)
Plantation and Gen. 12pcCnv.Uns.Ln. £125pc 6pc (3/11)
Rowe Evans 29 30
Quest Automation 200 (2/11)
Sampang (Java) Rubber 5½ (3/11)
Scottish Ceylon Tea 28 30
Sheraton Sec. Intnl 11½ 2
SPO Minerals 25 7 (30/10)
Star Offshore Services 46½ 7 50
Swan Hunter ½ (3/11)
3M UK £3pcPf. 56 (4/11)
Tom Hill 6
Truscan 6pcCum.Pf. 12 ½
Webber Electro Comps. 83
Welsh Inds. Inv. Tst. Pfd. 145 (3/11)
Williams (John) (Cardiff) 5pcCum.Pf. 325 (3/11)
Yelverton Inv. 24 5

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems 105 8 10
Aran Energy (Ir£0.20) 22 4 5 8
Atlantic Resources (Ir£0.25) 180 205 13 5 20
Berkeley Exploration and Production 343 5 8 54
Caledonian Offshore 110
Candecca Resources 205 6 7 8 9 10 1 2 3 5 6
Kenmare Oil Exploration (Ir£0.25) 18 20
Marinex Petroleum 125 7 30
New Court Oil Ventures 110
Steaua Romana (British) 60 ½ 1 ½ 2 ½ 3 4 ½ 5 ½ 8
Sun Oil Company (UK) Oil Royalty Stock Units (1p) 130 60

(By permission of the Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

MONEY MARKETS

London clearing bank base lending rates 15½ per cent (since October 15)

The Treasury bill rate fell by 0.7662 per cent at yesterday's tender to 14.8957 per cent and the minimum accepted bid rose to £96.28 from £96.09. Bids at that level were met as to about 57 per cent and above in full. The £100m of bills on offer attracted bids of £347.14m and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

Day to day was in short supply in the money market and the Bank of England gave an early forecast of −£200m. Factors affecting the market included bills maturing in official hands −£90m and a rise in the note circulation −£135m, offset by Exchequer transactions +£20m. The forecast was amended at noon to a shortage of around £250m and the Bank gave assistance by making purchases totalling £285m. This comprised eligible bank bills amounting to £120m in band 1 (up to 14 days) at 15 7/16-15½ per cent and in band 2 (15-33 days). £3m of Treasury bills at 15 7/16 per cent, £5m of local authority bills at 15 7/16 per cent and £157m eligible bank bills at 15 7/16-15½ per cent. There was no further help given during the afternoon.

In the interbank market weekend money opened at 15½-15¾ per cent and eased to 15-15¼ per cent. During the afternoon rates fell away sharply to a low of 6 per cent with closing balances taken back up at 11 per cent.

EXCHANGES AND BULLION

Trading was extremely quiet in currency markets yesterday ahead of the weekend. The dollar finished lower than levels seen on Thursday while sterling showed a marginal improvement despite lower UK interest rates. The dollar had attracted reasonable demand in Europe during the day but immediately came on offer as New York entered the market, reflecting a continued downward trend in U.S. interest rates. Business for most of the week has been generally featureless and dealers were already noting the effect on trading levels of the proximity of Christmas.

The dollar closed at DM 2.2200 against the D-mark, down from DM 2.2250 on Thursday and SwFr 1.7870 against the Swiss franc from SwFr 1.7950. It was slightly firmer in terms of the Japanese yen however at Y228.75 from Y228.50. On Bank of England figures, the dollar's trade weighted index rose from 107.0 to 107.5.

Sterling opened at $1.8705 and touched a best level of $1.8815 during the afternoon before closing at $1.8770-1.8780, a rise of 55 points. It rose against the D-mark to DM 4.17 from DM 4.1650 but eased against the Swiss franc to SwFr 3.3550 from SwFr 3.3600. Against the French franc it rose to FFr 10.5350 from FFr 10.53. On Bank of England figures, sterling's trade weighted index rose to 89.2 from 89.0, having stood at 89.0 at noon and in the morning.

THE POUND SPOT AND FORWARD

Nov 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8700-1.8815	1.8770-1.8780	0.22-0.12c pm	1.09	0.35-0.25 pm	0.64
Canada	2.2360-2.2430	2.2390-2.2410	0.50-0.60c dis	−2.95	1.25-1.45dis	−2.41
Nethlnd.	4.57-4.60	4.58¾-4.59¾	1¼-⅞c pm	2.61	3⅜-2⅞ pm	2.72
Belgium	69.80-70.40	70.22-70.32	10-20c dis	−2.56	53-63 dis	−3.30
Denmark	13.36-13.44	13.42-13.44	2¼-1¼ore pm	1.56	2⅜-1⅛ pm	0.56
Ireland	1.1740-1.1840	1.1820-1.1835	0.10-0.15p dis	−1.27	0.40-0.45dis	−1.45
W. Ger.	4.14½-4.18	4.16½-4.17½	1⅞-1⅜pf pm	4.68	4⅞-4⅜ pm	4.32
Portugal	120.00-121.00	120.20-120.60	40-275c dis	−15.70	90-490 dis	−9.63
Spain	178.00-179.80	179.20-179.40	10c pm-10 dis	—	15-45 dis	−0.67
Italy	2,218-2,234	2,230-2,234	8-11 lire dis	−5.11	32-37 dis	−6.18
Norway	10.99-11.03	11.01-11.03	1¼-¼ore pm	0.75	2⅞-1⅞ pm	0.82
France	10.47-10.54½	10.52½-10.54½	½c pm-½ dis	—	2⅛-3⅛ dis	−1.04
Sweden	10.28-10.34	10.32-10.33½	2⅝-1⅞ pm	2.61	6⅝-5⅞ pm	2.42
Japan	427-431	429-430	3.30-3.00y pm	8.80	8.95-8.65 pm	8.19
Austria	29.00-29.25	29.13-29.23	15-100gro pm	5.14	33-23 pm	3.84
Switz.	3.34½-3.36½	3.36-3.36	1¾-1¼c pm	5.38	4⅜-3⅞ pm	4.92

Belgian rate is for convertible francs. Financial franc 78.80-78.90. Six-month forward dollar 0.35-0.29c pm. 12-month 0.35-0.29c pm.

GOLD

	Nov. 6		Nov. 5	
Gold Bullion (fine ounce)				
Close	$427½-428½	(£227¾-228¼)	$428½-430	(£228-229)
Opening	$427½-428½	(£228-228½)	$430-431	(£229¼-229¾)
Morning fixing	$427.75	(£228.316)	$428.90	(£228.272)
Afternoon fixing	$428.25	(£228.035)	$428.50	(£228.010)
Gold Coins				
Krugerrand	$441½-442½	(£235¼-235¾)	$442-443	(£236¼-236¾)
1/2 Krugerrand	$231-232	(£123-123½)	$231-232	(£123½-124)
1/4 Krugerrand	$117-118	(£62¼-62¾)	$117-118	(£62½-63)
1/10 Krugerrand	$49-50	(£26-26½)	$49-50	(£26¼-26¾)
Mapleleaf	$442-443	(£235½-236)	$443-444	(£236¼-237¾)
New Sovereigns	$104½-105½	(£55¾-56¼)	$105-105½	(£56-56½)
King Sovereigns	$113-115	(£60-61)	$112-114	(£59½-60½)
Victoria Sovs.	$113-115	(£60-61)	$112-114	(£59½-60½)
French 20s	$98-108	(52¼-57½)	$98-108	(£52½-57¾)
50 pesos Mexico	$532-535	(£284¾-286½)	$532-535	(£284¼-285¾)
100 Cor. Austria	$415-418	(£221¼-222¾)	$415-418	(£221¾-223¼)
$20 Eagles	$557-562	(£297-299½)	$561-566	(£299¾-302½)

EXCHANGE CROSS RATES

Nov. 6	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.878	4.170	429.5	10.535	3.355	4.583	2232.	2.240	70.27
U.S. Dollar	0.553	1.	2.221	228.8	5.611	1.787	2.443	1189.	1.193	37.43
Deutschemark	0.240	0.450	1.	103.0	2.526	0.805	1.100	535.3	0.537	16.85
Japanese Yen 1,000	2.328	4.371	9.709	1000.	24.55	7.811	10.68	5197.	5.215	163.6
French Franc 10	0.949	1.783	3.958	407.7	10.	3.185	4.355	2119.	2.126	66.70
Swiss Franc	0.298	0.560	1.243	128.0	3.140	1.	1.367	665.3	0.668	20.94
Dutch Guilder	0.218	0.409	0.909	93.62	2.298	0.731	1.	486.5	0.488	15.32
Italian Lira 1,000	0.448	0.841	1.868	192.4	4.720	1.503	2.056	1000.	1.004	31.48
Canadian Dollar	0.446	0.838	1.862	191.7	4.703	1.498	2.048	996.4	1.	31.37
Belgian Franc 100	1.423	2.672	5.934	611.2	14.99	4.774	6.528	3176.	3.188	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Nov. 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	15⅜-15⅝	13⅞-14⅛	18-19	12⅞-13	5-5½	10⅛-10⅜	15-15½	16½-18½	14-16	6¼-6⅝
7 days' notice	15½-15¾	14-14¼	18-19	12¾-12⅞	5½-6	10⅞-11	15-15½	17½-19½	14½-16	6½-6⅝
Month	15⅝-15¾	14⅜-14⅝	18⅜-18¾	12 7/16-12 9/16	9½-9⅝	11-11⅛	15-15½	20½-21½	18-19	6½-6⅝
Three months	15⅝-15¾	14 7/16-14 9/16	18½-18½	12⅝-12¾	10 1/16-10 3/16	11-11⅛	16-16½	21½-22	18½-19¼	6⅞-7⅛
Six months	15⅝-15½	14½-15	17⅞-18⅛	12⅜-12½	9⅞-10	10⅝-10¾	17½-17¾	21½-22½	18⅝-18⅞	6⅞-7½
One Year	15 7/16-15 9/16	14⅞-15⅛	17⅞-18⅛	12⅞-12⅛	9¼-9⅜	10⅝-10¾	17¾-18½	21¾-22⅛	17¼-17¾	7½-7⅝

SDR linked deposits: one month 12 15/16-13 3/16 per cent; three months 13¾-13⅞ per cent; six months 13½-13⅞ per cent; one year 13½-13⅞ per cent.
ECU linked deposits: one month 14⅜-14 7/16 per cent; three months 14⅜-14⅞ per cent; six months 14 9/16-14 13/16 per cent; one year 14⅜-14⅝ per cent.
Asian $ (closing rates in Singapore): one month 14 9/16-14 11/16 per cent; three months 14⅜-14⅝ per cent; six months 15-15¼ per cent; one year 15 3/16-15 5/16 per cent.
Long-term Eurodollar two years 15⅜-15⅝ per cent; three years 15⅝-15¾ per cent; four years 15⅝-15⅞ per cent; five years 15¾-16 per cent nominal closing rates.
The following nominal rates were quoted for London dollar certificates of deposit: one month 14.25-14.35 per cent; three months 14.10-14.20 per cent; six months 14.30-14.40 per cent; one year 14.60-14.70

FT LONDON INTERBANK FIXING (11.00 a.m. NOVEMBER 6)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 15/16	offer 14 15/16	bid 15 1/16	offer 15 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Nov. 6 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	6-15⅝	15¼-15⅝	—	—	15-16	5-16	—	—	—
2 days notice	—	—	15⅜-15⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15½-15⅞	15¾	—	—	15½-15¾	15-15¼	—	—	—
One month	15⅞-15⅝	15 7/16-15	15⅝	16½-15⅞	15⅝	15⅞-16	15¼-15⅜	15¼-15 7/32	15 7/16-15 7/16	16½
Two months	15 7/16-15 7/16	15 7/16-15 9/16	—	16½-15⅞	15⅝	16	15⅝	15 7/16-15¼	15 7/16	15⅞
Three months	15⅜-15 7/16	15 7/16-15 7/16	15½	16-15⅝	15 7/16	—	15⅛-15¼	14⅞-14 31/32	14 15/16-15	15⅝
Six months	15¼-15⅛	15⅜-15 7/16	15⅜	14⅞-14½	15 7/16	—	—	—	14½-14 9/16	15
Nine months	15 1/16-15 3/16	15 1/16-15½	—	15½-15⅛	15⅜	—	—	—	—	—
One year	15 7/16-15	15¼-15⅜	15⅜	15⅜-15⅛	15⅜	—	—	—	—	—
Two years	—	—	15⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 15¾ per cent; four years 15¾ per cent; five years 15⅜ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 15/16-14⅞ per cent; four-month trade bills 15½ per cent.

Approximate selling rate for one-month Treasury bills 15-15 7/32 per cent; two months 14 25/32-15⅛ per cent; three months 14¾-14 25/32 per cent. Approximate selling rate for one-month bank bills 15 3/16-15 7/32 per cent; two months 15 3/16-15¼ per cent; and three months 14⅞ per cent; one month trade bills 15⅞ per cent; two months 15⅝ per cent; three months 15⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16 per cent from November 1 1981. **Clearing Bank Deposit Rates** for sums at seven days' notice 14 per cent. **Clearing Bank Rates** for lending 15½ per cent. **Treasury Bills:** Average tender rate of discount 14.8957 per cent.

CURRENCY MOVEMENTS

Nov. 6	Bank of England Index	Morgan Guaranty Changes %
Sterling	89.2	−34.5
U.S. dollar	107.5	+1.5
Canadian dollar	87.9	−16.9
Austrian schilling	118.9	+24.9
Belgian franc	106.9	−9.5
Danish kroner	89.6	−8.5
Deutsche mark	125.8	+44.8
Swiss franc	154.5	+104.5
Guilder	115.2	+19.7
French franc	82.1	−13.8
Lira	56.2	−57.5
Yen	138.4	+55.3

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Nov. 6	£	$		£ Note Rates
Argentina Peso	11,850-11,870†	6324-6344†	Austria	29.10-29.40
Australia Dollar	1.6430-1.6460	0.8750-0.8755	Belgium	78.79
Brazil Cruzeiro	214.50-215.50	114.26-114.83	Denmark	13.36-13.61
Finland Markka	8.180-8.190	4.3620-4.3640	France	10.41-10.58
Greek Drachma	103.148-106.306	55.90-60.10	Germany	4.15-4.19
Hong Kong Dollar	10.59½-10.66	5.65-5.68	Italy	2165-2270
Iran Rial	148.00*	79.25*	Japan	427-432
Kuwait Dinar (KD)	0.524-0.530	0.2810-0.2812	Netherlands	4.57-4.61
Luxembourg Fr.	70.22-70.32	37.41-37.45	Norway	10.94-11.06
Malaysia Dollar	4.2575-4.2675	2.2700-2.2730	Portugal	118-128
New Zealand Dlr.	2.2685-2.2735	1.2085-1.2095	Spain	175-187¼
Saudi Arab. Riyal	6.37-6.43	3.4160-3.4210	Sweden	10.27-10.37
Singapore Dollar	3.8850-3.8950	2.0715-2.0745	Switzerland	3.33-3.39
Sth. African Rand	1.8035-1.8055	0.9605-0.9615	United States	1.87-1.89
U.A.E. Dirham	6.85-6.91	3.6715-3.6745	Yugoslavia	81-86

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 19.000-19.020 and for the dollar 10.100-10.150.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.0316	+0.67	+0.40	±1.5368
Danish Krone	7.91117	7.84776	−0.80	−1.07	±1.6412
German D-Mark	2.40963	2.43633	+1.10	+0.83	±1.1077
French Franc	6.17443	6.15225	−0.36	−0.63	±1.3733
Dutch Guilder	2.66382	2.68161	+0.67	+0.40	±1.5063
Irish Punt	0.684452	0.689355	+0.72	+0.45	±1.6668
Italian Lira	1300.67	1301.67	+0.08	+0.08	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for November 6 ... 0.563871

U.K. CONVERTIBLE STOCKS 6/11/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	263.50	333.3	80-97	4.6	2.2	−4.8	−5 to 11	16.5	85.3	24.9	+29.6
Hanson Trust 6½pc Cv. 88-93	3.02	148.00	57.1	76-82	4.4		−7.5	−11 to 4	4.3	0.0	−2.7	+4.8
Slough Estates 10pc Cv. 87-90	5.31	225.50	187.5	78-84	4.5		−3.8	−8 to 5	19.0	22.0	1.3	+5.1
Slough Estates 8pc Cv. 91-94	24.55	108.00	78.0	80-91	7.6	7.2	10.8	6 to 27	27.7	47.1	19.8	+9.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Cable and Wireless stages highly successful debut but profit-taking reverses recent advance in equities

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30
Nov 23	Dec 3	Dec 4	Dec 14

* "New time" dealings may take place from 9 am two business days earlier.

Doubts about the continuance of the current downtrend in U.S. interest rates—Prime lending levels have this week fallen to 17 per cent—following reports of a sharp upward revision of the U.S. Budget deficit caused London stock markets to react yesterday. Earlier in the week, the second and final leg of a trading Account, leading equities had moved up impressively. Speculative enthusiasm had increased to unusually high levels and yesterday saw the much-heralded debut of Cable and Wireless.

Over £1.2bn was put up for Cable and Wireless on application and, owing to the recent equity market performance, the expected likely premium on the issue price of 168p had risen daily. Late on Thursday, the figure suggested was 40p and yesterday's opening level was only 5p short of this; the shares subsequently improved to 205p before reacting in sympathy with the general trend to settle at 197p.

Preparations for the introduction of Cable and Wireless were tightened considerably in order to prevent a repetition of the chaotic trading which marked the start of business in British Aerospace last February. The efforts succeeded and, after hectic early scenes, trade in Cable and Wireless became very orderly; turnover was reckoned by some to be slightly disappointing, but it still ran into millions of shares.

On the general equity market scene, profit-taking in the wake of the recent strong advance brought values down sharply. Popular Electricals were especially prone with the market being forced to absorb some sizeable offerings. **Peninsular and Oriental**, the subject of intense speculation on Thursday, fluctuated sharply but, at 135p, lost little of the previous two-day spurt of 30.

At 2.00 pm, the FT Industrial Ordinary share index was showing a fall of 11 points, but revived small buying interest after the official, 3.30 pm, close countered the effects of lower Wall Street opening prices and the index ended a net 9.8 down at 494.5 after having moved above 500 on Thursday for the first time since September 22; on the week, this measure retained a gain of 26 points.

More Prime rate cuts yesterday to 17 per cent failed to dispel Gilt-edged market concern that U.S. interest rates may soon be rising again. Light selling produced losses extending to ⅞ at both ends of the market before being reduced to around ¼. This week's lower Treasury bill rate failed to lift the market later in the afternoon and quotations eased again with selected maturities finally settling ⅛ down on balance.

Total contracts completed yesterday in Traded options amounted to 2,124 for a week's daily average of 1,951. **P & O** Deferred remained to the fore among calls, recording 400 trades on continued takeover speculation. **Courtaulds** and **ICI** attracted 215 and 172 calls respectively.

Home Banks lower

The major clearing banks turned lower after the previous day's Press-inspired gains. End-Account profit-taking and lack of fresh support left **Midland** 5 down at 320p and **NatWest** a few pence off at 392p; the latter still recorded a rise on the week of 30. Elsewhere, **Standard Chartered** lost 13 to 625p, while **Grindlays**, in the absence of bid developments, relinquished 6 to 194p. Discount Houses moved against the trend; **Cater Ryder** gained 10 to 310p as did **Seccombe Marshall and Campion**, to 220p; the latter's interim figures are due on Monday. **Alexanders** put on 8 to 218p and **Smith St Aubyn** appreciated 6 to 178p.

With the exception of **Commercial Union**, which hardened *a penny to 134p ahead of Tuesday's* third-quarter results, Composite Insurances retreated on end-Account influences. Recent speculative favourite **Sun Alliance** met profit-taking and shed 29 to 925p.

The announcement that bid *discussions with an unnamed* suitor had proved abortive prompted late weakness in **John Finlan** which dipped to 143p before settling at 148p for a fall of 17 on balance. Among other Building issues, **Taylor Woodrow** reacted 10 to 495p after recent firmness, but **Marchwiel** edged up 4 to 109p, while similar rises were marked against **Breedon Lime**, 121p, and **Crouch Group**, 102p.

ICI closed a couple of pence above the day's lowest with a fall of 6 at 276p, while **Fisons** eased 4 to 138p.

Woolworths up again

Leading Stores ended the Account with a slightly easier bias following an active two-way business. Takeover rumours were directed towards **Woolworth** which closed 2½ up at 50p, after 51p; the third-quarter figures are expected next Wednesday. **British Home**, also the subject of bid speculation recently, gave up 4 to 130p, while **Gussies "A"** ended 5 lower but still up 30 on the week at 420p. Elsewhere, end-Account profit-taking clipped 10 from **Polly Peck**, 357p, while a more detailed appraisal of the first-half figures left **Milletts Leisure** 3 cheaper at 90p. **A. Goldberg** announced the expected set-back in mid-term earnings and *eased a couple of pence to 46p*, after 44p, while **W. L. Pawson** remained a nervous market in front of interim results due in the next Account and touched 7p before settling for a net fall of a penny at 8p.

Pacemakers in the market's recent upsurge, the popular Electrical majors recorded falls ranging to 13 yesterday as a fair amount of stock came on offer on the last day of the Account. **Racal** lost that much to 395p, while **GEC**, 715p, **Plessey**, 320p, and **Thorn EMI**, 420p, all declined 10. Elsewhere, **MK** eased 6 to 200p and **Electrocomponents**, awaiting Monday's interim figures, cheapened 4 to 123p. Awaiting further developments in the bid situation, **Berec** gave up 4 to 128p.

Boosted earlier in the week by the BL settlement, **GKN** drifted back on occasional profit-taking to close 7 cheaper at 150p. Elsewhere in the Engineering leaders, **Hawker**, 316p, and **Tubes**, 100p, gave up 6 apiece. Among secondary issues, **Serck** *weakened 12 to 45p on news that* the merger with BTR is to be referred to the Monopolies Commission. **BTR** fell 16 to 328p. **Yarrow**, in marked contrast, advanced 15 to 260p following the announcement that Vosper had increased its stake in the company to just over 25 per cent. **Staveley** continued firmly, edging up 3 more to 193p, while **Moss Engineering** hardened a penny to 77p *following* preliminary results. **Newman Tonks** also found support and put on 5 to 58p.

Foods ended an exceptionally *active week on a quiet note and* most drifted gently lower. Profit-taking clipped 10 from **J. Sainsbury** at 485p, still up 40 on the week, but **Avana** remained excited by **Northern's** 20.5 per cent holding and added 5 more to 245p; Northern eased the turn to 152p. **RHM**, *the subject of a* successful dawn raid earlier in the week from **British Sugar**, eased to 67p before closing only a fraction off at 68½p, while the latter fell a couple of pence to 315p and **S. and W. Berisford**, which holds around 40 per cent of BS, gave up 7 at 105p. Adverse Press comment on the latest move in the acrimonious takeover battle between **Linfood** and **Argyll** left both issues easier; Argyll shed a penny to 92p, while Linfood closed 5 cheaper at 173p.

Amal. Metal jump

Amalgamated Metal stood out in miscellaneous industrials, jumping 50 to a 1981 peak of 613p on the announcements that Preussag AG of Hanover is not proceeding with its plans to acquire the 20.5 per cent of AM it does not already own and that Permodalan Nasional Berhad has increased its holding to just under 10 per cent and has now withdrawn from the market. *Elsewhere, further profit-taking* in the wake of Mr Holmes A'Court's acquisition of a 50.1 per cent holding in the company left **Associated Communications** "A" down 3 at 54p, but still up 12 on the week. **British Aerospace**, at 189p, lost 7 of the previous day's rise of 11 and **Henry Boot**, on further consideration of the interim figures, fell 11 to 164p. **Standard Fireworks** came on offer at 83p, down 4, and **Somic** cheapened 3 at 15p. Ahead of the preliminary figures, due early next month, **English China Clays** added 5 at 134p. **Dundonian** revived with a rise of 4 at 57p; the leaders brought an impressive account to a dull close. *Profit-taking* clipped 10 from **Glaxo** at 422p and 3 from **Boots** at 201p; the latter's interim figures are due on November 19.

Leisure issues displayed an irregular appearance. Profit-taking left **Saga Holiday** 5 off at 408p and **Pleasurama** 6 cheaper at 248p, but ***Samuelson Film*** attracted support in a narrow market and closed 10 higher at 130p. The annual results lifted **Ulster TV** 3 to 80p, while **Grampian** added 2 to 34p after the interim figures. **Black and Edgington** lacked support and closed 6 lower at 44p.

A shade firmer at the outset, **Lucas** succumbed to nervous selling in front of Monday's preliminary results and closed a net 9 down at 172p. The uncertainty spread to other Motor Components, among with **Dowty** gave up 6 at 139p and **Automotive Products** eased a couple of pence to 47p. Distributors also trended lower; **Adams and Gibbon**, firm of late following a Press recommendation, dipped 3 to 77p, while **Lex Service** shed 2 to 88p.

Candecca up late

Having risen throughout the Account on cheaper money hopes Properties yesterday reacted on profit-taking. **MEPC** *shed 7 to 215p and* **Land Securities** relinquished 5 to 307p; the latter's interim figures are due on November 16. **Rush and Tompkins** shed 3 to 203p despite the strong interim profits recovery, while **Allnatt** dipped 4 to 180p. By way of contrast, **City Offices** stood out with a rise of 11 to 102p on bid speculation. **City of Aberdeen Land** gained 10 more making a gain on the week of 85 to 510p on consideration of the share issue to institutions.

Oils followed the downward trend, but closed a few pence above the day's lowest in places. **Shell** gave up 10 to 382p and **BP** closed 6 down at 308p, after 304p, in the leaders. **Lasmo** fell 23 to 475p and **Ultramar** 15 to 483p. Revived speculation about *a possible Humberside oil find* prompted late firmness in **Candecca**, which advanced 16 to 228p. **NCC**, in contrast, closed 12 down at 78p after a brief suspension of dealings; the company yesterday jointly announced with Simplicity Patterns the mutual agreement to terminate the previously announced business combination. **British Borneo** rose 8 to 250p after the interim results, while **Steaua Romana** were firm again at 67p, up 5.

Stimulated earlier in the week by comment on the Exco International offer for sale, money brokers yesterday encountered profit-taking. **Mercantile House** reacted 15 to 460p and **R. P. Martin** *10 to 335p*.

Still reflecting bid speculation **P & O** deferred were a relatively lively market; the shares came back to 125p initially on profit-taking before picking up to close only 2 off on balance at 135p for *a rise on the week of 34. Elsewhere* in Shippings, **British and Commonwealth**, a good market recently on the company's stake in Exco International, reacted 5 to 305p, up 40 on the week.

Quiet Mines

Mining markets ended the week lacking any significant interest either way. South African Golds moved within narrow limits, mirroring the bullion markets, although technical considerations associated *with the Financial Rand led* to widespread, but minor, losses.

The Gold Mines index eased 0.9 to 353.0, leaving it 2.6 up over the five-day period. The bullion price was finally $1.25 easier at $428 an ounce.

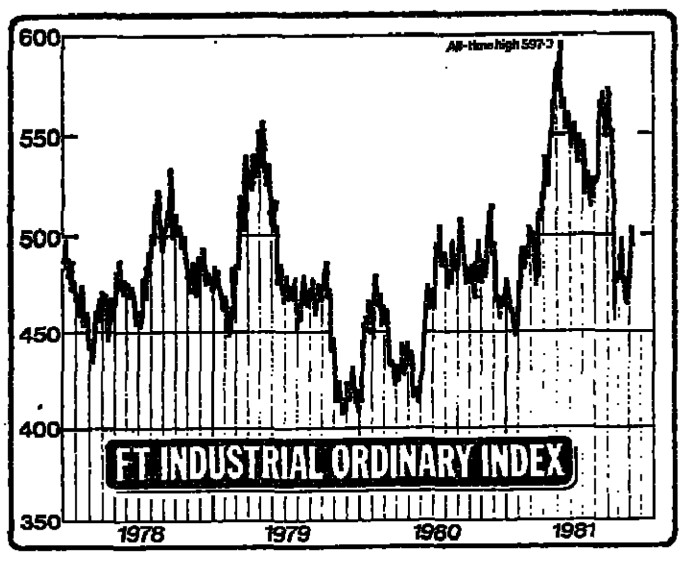
Activity in mining financials continued to centre on the London registered **Rio Tinto-Zinc** which fell on profit-taking to close 8 down at 475p after having touched 485p; the shares still showed a rise on the week of 33 as revived takeover specu*lation followed the sharp rise* and subsequent suspension of trading in shares of America's **Amax**.

The Bermula-registered **Minorco** gave up 7 to 463p but remained a net 48 up on the week following reports of a broker's bullish circular which encouraged sizable London buying.

Australians rounded off a week of strong gains with minor losses on end-account profit-taking. Falls in the leaders were generally restricted to a couple of pence.

Exceptionally, **Central Pacific Minerals**, 6 up at 63p and **Southern Pacific Petroleum**, 5 firmer at 31p, responded to persistent American buying. **Pancontinental Mining**, well supported over the previous four days, added 14 more to 160p.

In Central Africans, **Falcon Mines** remained depressed at 140p—down 60 on the week—following the dividend omission and reduced profits. ***MTD Mangula*** gave up 3 to 33p following the loss and passed dividend in the second half.



FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., Nov. 6, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. Nov. 5 Index No.	Wed. Nov. 4 Index No.	Tues. Nov. 3 Index No.	Mon. Nov. 2 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (210)	324.67	−1.4	10.79	4.85	11.48	329.13	325.91	323.31	316.83	280.24	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	281.41	−0.2	15.85	6.08	7.20	281.87	278.97	274.94	270.13	237.13	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	495.05	−0.9	19.08	5.57	6.13	499.46	499.61	495.00	487.69	413.62	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1101.67	−1.6	8.28	2.60	15.08	1119.66	1106.13	1095.33	1074.89	905.09	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (9)	468.70	−0.7	13.82	5.87	8.53	471.87	467.95	462.75	451.77	345.77	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (66)	182.01	−1.6	12.14	6.03	10.70	185.03	182.21	181.36	177.26	172.58	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	154.12	−1.6	9.23	7.68	14.72	156.55	155.60	154.78	150.68	146.84	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	82.73	−2.6	—	8.20	—	84.94	85.87	87.00	84.45	91.74	112.76 (1/5)	82.73 (6/11)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	337.58	−1.5	9.77	6.69	12.45	342.66	340.44	338.84	331.85	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (198)	261.96	−1.1	13.48	6.22	9.15	264.81	261.02	258.29	251.45	236.20	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	267.64	−0.7	16.76	7.23	7.19	269.48	265.58	264.20	253.79	264.33	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	262.61	−0.5	15.24	6.42	7.92	263.80	262.47	259.52	250.51	208.64	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (15)	540.33	−1.2	9.56	3.53	12.70	547.05	543.22	530.34	520.14	410.72	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	340.14	−1.2	8.71	4.50	13.63	344.22	339.62	339.45	327.16	221.47	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (24)	402.85	−2.1	10.11	5.47	12.27	411.35	408.99	405.93	397.09	336.31	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	444.98	−0.6	13.85	6.77	10.46	447.63	441.91	440.28	434.57	440.07	526.15 (11/5)	414.73 (28/9)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	125.19	−0.6	16.47	8.50	7.24	125.93	123.63	123.01	119.56	124.57	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (46)	232.05	−1.3	12.40	5.78	10.81	235.14	230.05	226.48	221.09	244.49	294.06 (30/4)	211.94 (26/10)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	141.76	−0.7	9.35	6.49	14.62	142.83	141.42	140.12	138.99	129.37	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	252.88	−1.5	22.48	10.29	5.12	256.63	248.37	245.69	245.79	205.78	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	252.06	−0.5	8.71	6.88	17.82	253.27	250.95	249.82	246.58	0.00	311.40 (1/5)	229.84 (28/9)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (79)	216.56	−1.3	11.35	6.52	11.29	219.36	215.14	213.64	209.31	216.56	249.19 (30/4)	191.89 (28/9)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (16)	281.88	−1.6	5.66	6.37	29.68	286.61	282.48	282.91	277.31	298.75	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (4)	99.67	−2.8	18.35	8.83	6.52	102.50	99.67	96.88	95.22	101.13	129.79 (22/4)	92.79 (30/10)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	508.47	−1.6	20.85	7.21	5.71	516.63	485.01	471.45	461.65	552.98	644.76 (24/4)	430.18 (28/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	276.26	−0.4	13.34	6.00	9.08	277.44	275.22	273.62	267.81	274.90	314.68 (3/9)	240.93 (28/9)	314.68 (3/9/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	277.16	−1.2	12.20	5.74	10.17	280.55	276.84	274.32	267.94	250.14	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (13)	719.86	−2.3	19.78	7.84	5.73	736.68	722.19	732.99	725.84	991.41	923.71 (2/1)	588.96 (28/9)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	313.04	−1.4	13.60	6.13	8.89	317.51	312.93	311.48	305.03	308.66	353.39 (17/8)	276.00 (28/9)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	250.34	−1.0	—	6.07	—	252.87	249.21	246.08	241.64	246.63	279.45 (1/9)	223.02 (28/9)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	268.12	−0.8	33.30	7.02	3.53	270.16	261.10	259.33	254.76	251.32	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	240.93	+1.5	—	9.31	—	237.34	237.34	237.38	235.88	295.06	314.03 (20/3)	227.70 (29/9)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	219.89	−2.4	14.15	8.41	9.79	225.21	225.21	225.53	220.92	216.72	274.53 (25/3)	186.09 (28/9)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (9)	249.69	−0.7	—	6.41	—	251.47	248.20	245.93	238.72	254.41	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	165.40	−1.4	—	8.10	—	167.78	167.21	164.38	160.90	167.74	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	416.53	−0.5	11.09	5.79	12.26	418.74	415.94	414.39	405.77	322.22	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (13)	147.33	+0.2	—	5.46	—	146.97	146.22	145.63	144.50	157.15	179.36 (2/7)	127.53 (28/9)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	439.64	−1.3	4.45	3.26	30.36	445.22	441.02	432.97	426.50	452.95	517.77 (2/4)	377.11 (28/9)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	169.97	−1.7	18.90	6.46	6.43	172.93	169.59	166.22	165.03	162.94	186.99 (13/8)	145.06 (28/9)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (110)	283.70	−0.6	—	5.65	—	285.52	283.23	282.02	277.46	283.70	332.90 (17/8)	257.70 (28/9)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (4)	241.75	−1.7	14.25	5.86	8.44	245.86	240.88	244.11	240.94	260.67	296.26 (14/8)	200.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (17)	393.87	−1.0	13.35	8.08	9.15	397.97	395.69	390.77	388.61	442.12	488.51 (18/5)	369.85 (28/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	299.74	−1.3	—	6.12	—	303.65	299.38	297.67	291.87	297.29	338.64 (17/8)	265.85 (28/9)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. Nov. 6	Day's change %	Thurs. Nov. 5	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	104.94	+0.00	104.94	—	9.65
2	5-15 years	99.87	−0.11	99.97	—	11.03
3	Over 15 years	100.27	−0.14	100.40	—	12.60
4	Irredeemables	106.69	+0.30	106.37	—	13.50
5	All Stocks	101.35	−0.08	101.43	—	11.03
6	Debentures & Loans	77.67	−0.10	77.75	—	9.62
7	Preference	59.05	+0.03	59.03	—	6.30

	AVERAGE GROSS REDEMPTION YIELDS		Fri. Nov. 6	Thurs. Nov. 5	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low Coupons	5 years	13.56	13.50	11.78	14.17 (26/10)	11.20 (20/3)
2		15 years	14.09	14.06	11.72	14.49 (26/10)	11.86 (20/3)
3		25 years	14.11	14.07	11.72	14.53 (26/10)	11.88 (6/1)
4	Medium Coupons	5 years	15.84	15.79	13.51	16.80 (26/10)	12.92 (20/3)
5		15 years	15.92	15.88	13.43	16.45 (26/10)	13.32 (20/3)
6		25 years	15.43	15.38	13.11	15.90 (28/9)	13.08 (20/3)
7	High Coupons	5 years	15.70	15.64	13.62	16.62 (26/10)	12.93 (20/3)
8		15 years	16.12	16.08	13.64	16.59 (26/10)	13.54 (20/3)
9		25 years	15.66	15.61	13.31	16.08 (28/9)	13.15 (20/3)
10	Irredeemables†		13.70	13.73	11.23	14.22 (2/10)	11.35 (20/3)
11	Debs & Loans	5 years	16.81	16.79	14.30	17.37 (28/9)	13.80 (27/3)
12		15 years	16.75	16.73	14.08	17.30 (28/9)	14.16 (27/3)
13		25 years	16.71	16.69	13.86	17.23 (30/9)	14.25 (27/3)
14	Preference†		16.74	16.74	14.57	16.83 (29/10)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

NAME CHANGE: Allied Breweries has changed its name to Allied-Lyons (Brewers and Distillers).

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the Week Rises	On the Week Falls	On the Week Same
British Funds	4	52	35	261	66	128
Corpns. Dom. & Foreign Bonds	5	4	63	100	15	245
Industrials	169	331	856	1,732	765	4,287
Financial and Props.	58	191	259	1,081	279	1,182
Oils	24	32	46	171	113	232
Plantations	4	1	18	15	7	93
Mines	26	27	114	214	161	460
Others	42	51	48	290	192	215
Totals	332	689	1,439	3,884	1,598	6,842

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 2	Nov 13	Feb 11	Feb 22
Nov 16	Nov 27	Feb 25	Mar 8
Nov 30	Dec 11	Mar 11	Mar 22

For rate indications see end of Share Information Service

Call options were taken out in Cable and Wireless, Premier Oil, ICL, FNFC, Trident TV, Burmah, Courtaulds, Keith Collins Petroleum, Eagle Star, Woolworth, Swire Pacific, Bowater, Royal Bank of Scotland, Britannia Arrow and British Home Stores. Puts were done in ICL, Barratt Developmens, George Wimpey, BP, Westland Aircraft and Land Securities, while doubles were arranged in Town and City Properties. Barratt Developments, RTZ and Cable and Wireless.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
—	F.P.	—	850	775	✤Asprey	825	+25	35.0	3.3	6.1	6.0
168	F.P.	—	205	195	Cable & Wireless 50p	197	......	b6.3	2.0	4.6	15.6
§90	F.P.	—	104	101	✤Feedback 10p	104	+1	b2.0	3.0	2.8	17.2
§110	F.P.	13/11	133	120	Habitat	130	+3	u3.6	1.4	4.0	24.3
§10½	F.P.	—	16	14	✤Humberside El. 10p	14	......	—	—	—	—
63	F.P.	9/12	74	69	✤JohnstonesP'int10p	76	......	b5.55	2.5	6.8	6.6
§67	F.P.	18/12	69	68	✤Sheldon Jones	69	......	u3.5	2.4	7.3	7.8
§62	F.P.	—	64	60	✤V.W.	52	−2	bd3.84	2.3	8.8	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
‡	F.P.	26/10	83p	81p	Asprey 9½% Cum. Prf.	82p	+25
¶¶	F.P.	—	100½	97	Austin (F.) Leyton 11½% Ptly Cnv. Red 1994	97	......
100	£10	10/12	64	62	Brooke Bond Leibig 8½% Deb. '87/92	62	......
**	F.P.	—	12¼	12	E. Worcs Waterworks 10½% Rd. Prf. '86	12¼	......
§100	F.P.	—	99¾	92	Hawley Leisure 12½% Cum. Pref.	92	+1
51p	F.P.	—	52p	52p	Inchcape 6½% Cum. Red. Prf. 1990/2	52p	......
‡100	F.P.	—	100¼	92	Nat'wide Bdg Society 16½% Bds (27/10/82)	100¼	......
97.39	£25	—	25½	22½	Nova Scotia Province of 6½% Ln2011	25¼	−¼
‖£1	Nil	13/11	2pm	½pm	Staffs. Potts. 10% Cnv. Cum. Prf.	2pm	+1
—	—	—	3p	½p	Sterling Credit Warrants	3p	......
100	£10	10/12	12	12	TenderingH'dredWater10½%Rd. Prf. '88	12¼	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing Price p	+ or −
14	F.P.	30/10	20/11	20	17	British Benzol	19	......
275	125p	13/7	2/12	188	104	BP	155	−8
20	Nil	13/11	11/12	1pm	¾pm	Brown & Jackson	¾pm	−¼
182	F.P.	23/10	27/11	191	183	Foseco Minsep	184	−2
90	F.P.	21/10	26/11	106	90½	Heelamat	106	......
50cts	Nil	—	—	112pm	110pm	T N T	112pm	......
350	F.P.	22/10	19/11	320	280	Viner's Units†	315	−15
20	Nil	13/11	15/12	21pm	13pm	Websters	16pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. m Interim since increased or resumed. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✠ With warrants. †† Dealings under special Rule. ✤ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 50 Ordinary of 1p and £1 of 10 per cent Loan 1988.

FINANCIAL TIMES STOCK INDICES

	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Oct. 30	A year ago
Government Secs.	62.09	62.16	61.87	61.93	61.66	61.16	70.0[illegible]
Fixed Interest	62.96	62.97	62.86	62.56	62.46	61.83	71.8[illegible]
Industrial Ord.	494.5	504.3	494.5	493.8	478.9	468.5	478.[illegible]
Gold Mines	353.0	353.9	351.8	351.0	352.5	350.4	482.[illegible]
Ord. Div. Yield	6.02	5.90	6.01	6.03	6.20	6.33	7.6[illegible]
Earnings, Yld. % (full)	10.26	10.06	10.24	10.28	10.57	10.80	17.[illegible]
P/E Ratio (net) (*)	12.50	12.75	12.53	12.48	12.14	11.89	7.0[illegible]
Total bargains	23,288	18,863	17,035	16,751	15,905	15,054	22,01[illegible]
Equity turnover £m.	—	119.15	141.69	145.05	94.99	63.83	173.[illegible]
Equity bargains	—	14,619	12,964	13,001	10,969	8,649	19,70[illegible]

10 am 503.7. 11 am 498.4. Noon 494.4. 1 pm 493.4. 2 pm 493.3. 3 pm 493.4.

Latest Index 01-246 8026.

*Nil=11.12.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/5)	60.17 (26/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	61.61 (26/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8)	262.5 (28/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 5	Nov. 4
Daily		
Gilt Edged Bargains	196.3	184.[illegible]
Equities Bargains	94.7	84.[illegible]
Value	240.6	288.[illegible]
5-day Avrge.		
Gilt-Edged Bargains	189.5	161.[illegible]
Equities Bargains	77.9	70.[illegible]
Value	237.5	207.[illegible]

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981

NEW HIGHS (9)

BRITISH FUNDS (2)
Treas. 8½pc '80-82 Treas. Var. 1982.
BUILDINGS (1)
Galliford Brindley
ELECTRICALS (1)
Amstrad
FOODS (1)
Hinton (A.)
INDUSTRIALS (1)
Amal. Metal
LEISURE (1)
LWT A
PROPERTY (1)
C.A.L.A.
MINES (1)
Gold & Base

NEW LOWS (15)

BRITISH FUNDS (1)
Exchqr. 12pc 2013-17
AMERICANS (2)
Kaiser Aluminium Lowes
STORES (4)
Executex Milletts Leisure
Goldberg (A.) Pawson (W. L.)
ELECTRICALS (1)
Derritron
ENGINEERING (1)
Ransomes Sims
INDUSTRIALS (1)
Brown Boveri Kent
MOTORS (1)
Plaxton's GB
TEXTILES (1)
Foster (John)
OIL & GAS (1)
Bula Res.
MINES (2)
Metals Ex. Seltrust A

LEADERS AND LAGGARDS

Percentage changes since December 31 1980 based on Thursday, November 5 1981

Insurance Brokers	+31.04	Mechanical Engineering	[illegible]
Health and H'sehold Products	+30.35	Mining Finance	[illegible]
Tobaccos	+28.57	Financial Group	[illegible]
Food Manufacturing	+24.97	*Other Consumer*	[illegible]
Contracting, Construction	+23.50	Newspapers, Publishing	[illegible]
Other Industrial Materials	+19.22	All-share Index	[illegible]
Engineering Contractors	+18.71	500-share Index	[illegible]
Leisure	+17.88	Breweries and Distillers	[illegible]
Food Retailing	+17.57	Investment Trusts	[illegible]
Electricals	+16.95	Office Equipment	[illegible]
Textiles	+14.56	Property	[illegible]
Capital Goods	+14.52	Other Groups	[illegible]
Building Materials	+14.51	Merchant Banks	[illegible]
Hire Purchase	+14.15	Chemicals	[illegible]
Metals and Metal Forming	+13.99	Shipping and Transport	[illegible]
Insurance (Composite)	+13.94	Stores	[illegible]
Consumer Group	+11.20	Overseas Traders	[illegible]
Industrial Group	+10.70	Motors	[illegible]
Packaging and Paper	+ 9.92	Gold Mines Index	[illegible]
Banks	+ 9.44	Discount Houses	[illegible]
Insurance (Life)	+ 8.97	Oils	[illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Amalgamated Metal	613	+50	Lucas Industries	172	[illegible]
British Aerospace	189	− 7	P & O Deferred	135	[illegible]
BP	308	− 6	*Racal Electronics*	395	[illegible]
Cable and Wireless	197	—	RTZ	475	[illegible]
GEC	715	−10	Unilever	623	[illegible]
GUS "A"	420	− 5	Woolworth	50	[illegible]

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
P & O Deferred	40	137	+21	GEC	17	725	[illegible]
RTZ	27	483	+15	Tricentrol	17	282	[illegible]
Imperial Grp.	23	64	+ 4	NatWest Bk.	15	395	[illegible]
Mercantile Hse.	23	475	+40	Tozer Kemsley	15	74	[illegible]
Brit. Aerospace	22	196	+11	Unilever	15	627	[illegible]
Martin (R. P.)	19	345	+20	Bowater	13	205	[illegible]
Royal Bk. Scot.	19	168	+ 6	ICI	13	282	[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
RTZ	100	483	+43	*Tricentrol*	68	282	[illegible]
GEC	94	725	+42	BAT Industs.	66	363	[illegible]
ICI	84	282	+16	Beecham	62	215	[illegible]
RHM	75	69	+15	Mercantile Hse.	62	475	[illegible]
Shell Transport	72	392	+30	Polly Peck	62	357	[illegible]
BP	71	314	+14	Glaxo	61	432	[illegible]
Plessey	68	330	+24	Thorn EMI	60	430	[illegible]

LONDON TRADED OPTIONS

Nov. 6 Total Contracts 2124. Calls 1616. Puts 508.

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP (c)	240	72	2	84	—	—	—	306p
BP (c)	260	52	—	64	50	—	—	"
BP (c)	280	34	15	44	—	—	—	"
BP (c)	300	24	13	32	2	42	—	"
BP (c)	320	14	19	—	—	—	—	"
BP (c)	330	—	—	19	22	28	—	"
BP (p)	260	4	—	11	50	—	—	"
BP (p)	280	6	5	16	5	—	—	"
BP (p)	300	15	46	26	—	34	—	"
Cons. Gld (c)	500	32	4	50	—	63	—	491p
Court'lds (c)	50	10	61	12	—	15	—	56p
Court'lds (c)	60	3½	77	7	7	9	10	"
Court'lds (c)	70	2	—	3	50	—	—	"
Court'lds (c)	80	1½	4	—	6	—	—	"
GEC (c)	650	85	15	115	—	140	—	709p
GEC (c)	700	47	1	80	—	104	—	"
GEC (c)	750	23	1	52	1	—	—	"
GEC (c)	800	12	8	32	—	—	—	"
Gr'd Met. (c)	140	35	5	40	—	45	—	169p
Gr'd Met. (c)	160	19	1	26	—	33	—	"
Gr'd Met. (c)	180	8	7	15	1	23	—	"
Gr'd Met. (p)	160	10	28	14	25	17	—	"
Gr'd Met. (p)	180	18	34	26	—	27	—	"
Gr'd Met. (p)	200	34	29	36	1	—	—	"
ICI (c)	240	46	75	54	—	62	—	274p
ICI (c)	260	28	12	36	—	44	—	"
ICI (c)	280	15	30	24	10	30	—	"
ICI (c)	300	8	25	13	20	—	—	"
ICI (p)	260	10	56	18	50	22	—	"
ICI (p)	300	30	2	36	—	—	—	"
Land Sec. (c)	260	53	—	64	20	—	—	307p
Land Sec. (c)	336	7	25	—	—	—	—	"
Mks & Sp (c)	100	26	—	31	21	35	—	119p
Mks & Sp (c)	110	17½	12	22	—	26	—	"
Mks & Sp (c)	120	8	13	14	—	17	—	"
Mks & Sp (c)	130	4	10	9	—	—	—	"
Shell (c)	390	17	68	30	—	40	—	382p
Shell (p)	360	12	11	19	—	26	5	"
Shell (p)	390	21	1	34	—	39	—	"
Shell (p)	420	42	—	46	10	—	—	"
		November		February		May		
Barclays (c)	420	15	17	40	4	48	3	430p
Barclays (c)	460	2	16	17	—	25	—	"
Imperial (c)	50	15	—	27½	1	18½	—	64p
Imperial (c)	60	5	17	7½	16	9½	2	"
Imperial (c)	70	1½	70	4	8	5	36	"
Imperial (p)	60	1	—	3½	5	5	—	"
Lasmo (c)	460	27	1	70	1	84	—	474p
Lasmo (c)	500	8	18	47	2	58	—	"
Lasmo (c)	550	5	—	27	10	38	—	"
Lasmo (c)	600	2	30	18	—	27	—	"
Lasmo (c)	650	½	—	8	10	—	—	"
Lonrho (c)	70	8	—	10½	4	14	—	75p
Lonrho (c)	80	1½	—	6½	63	8	—	"
P & O (c)	90	53	7	55	2	58	—	140p
P & O (c)	100	43	2	45	5	48	—	"
P & O (c)	110	33	6	38	10	38	3	"
P & O (c)	120	26	3	30	86	28	1	"
P & O (c)	130	15	34	22	40	22	1	"
P & O (c)	140	8	71	15	100	16	—	"
P & O (c)	160	4	10	—	—	—	—	"
P & O (c)	180	1½	39	—	—	—	—	"
Racal (c)	330	70	1	83	1	—	—	395p
Racal (c)	390	17	13	37	—	62	—	"
Racal (p)	420	6	77	23	2	37	—	"
Racal (p)	330	1	—	9	25	—	—	"
Racal (p)	360	1	—	20	1	—	—	"
Racal (p)	390	9	12	25	2	27	—	"
Racal (p)	420	30	22	37	28	33	9	"
RTZ (c)	460	30	25	60	—	72	1	481p
RTZ (c)	500	9	10	38	—	50	—	"
RTZ (c)	550	2	12	22	1	30	—	"
RTZ (c)	600	1	20	15	1	18	—	"
RTZ (p)	500	37	—	42	38	50	—	"
RTZ (p)	550	85	11	90	—	95	—	"

C=Call P=Put

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCE PROPERTY BONDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97½	92¼	Aust. 5½pc '81-82	96⅞	+⅛	5.70	14.84
87½	62½	Do. 6pc 1981-83	83¾xd		7.13	15.15
67¼	57¼	N.Z. 7½pc 1988-92	58¼		13.00	16.02
81¼	74	Do. 7½pc '83-86	76½	–¼	10.19	15.73
141	115	S. Rhod 2½pc Non-Ass.	132		—	—
61	43	Do. 3½pc 80-85 Asstd	53		6.67	22.00
43	26	Do. 4½pc 87-92 Asstd.	33		14.11	20.60
395	322	Zimbabwe Ann (£100pd)	322		—	25.69

LOANS

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Public Board and Ind.				
64	57¼	Agric. Mt. 5pc '59-89	58¾		8.76	14.43
29½	23¾	Met. Wtr. 3pc 'B'	25½		11.99	14.32
114	97	U.S.M.C. 9pc 1982	100		9.39	—
97¾	91	Do. without Warnts.	95		9.90	—
		Financial				
101½	94¼	FFI 14pc '83	96½	–¼	14.50	15.96
93½	88½	FFI (UK Fu)5½pcDb. '80-2.	92½		5.99	15.94
83½	77	Do. 6¼pcDb. '81-84	78½xd		7.94	15.24
93	84½	Do. 10½pc Uns.Ln. '86	85½		12.82	16.70
92	80	Do. 11pc Uns.Ln. '88	81½		14.15	16.00
92	80	Do. 11¾pc Uns.Ln. '90	81½		15.18	17.00
94½	78½	Do. 12½pc Un. Ln. 1992	81½		15.66	16.70
64½	54½	Do. 7¾pcADeb. '89-92	57		13.37	16.26
62	51½	Do. 7¾pcADeb. '91-94	53¾		13.86	16.15
72½	59½	Do. 9pc 'A' '91-94	61½		14.92	16.52
70	56½	Do. 8⅞pcLn. '92-97	59		15.54	16.70
		Building Societies				
100⅛	98¼	N'wide 14¼pcBd11.8.82	99¼		14.86	—
100	98	Do. 14¼pc Bds 25.8.82.	99¼		14.86	—
99¾	98¼	Do. 15¼pc Bds. 29.9.82	99¼		15.49	—

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

Indian and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	42	......	Conv. 9% '80/82	£92¾	......
Bertrams	10	......	Nat. 9¾% 84/89	£69½	+¼
Bdg'wtr. Est. 50p	400	......	Fin. 13% 97/02	£73⅝	+¼
Craig & Rose £1	£13	......	Alliance Gas	76	+3½
Finlay Pkg. 5p	23	......	Arnott	222	......
Graig Ship. £1	£21	......	Carroll (P.J.)	79	......
Higsons Brew	63	......	Concrete Prods.	90	......
Holt (Jos) 25p	510	......	Heiton (Hldgs.)	23½	......
I.O.M. Stm. £1	150xd	......	Irish Ropes	38	......
Pearce (C. H.)	798	+30	Jacob	63xd	......
Peel Hldgs.	120	......	T.M.G.	21	+2
Sheff. Refrshmt	90	......	Unidare	55	......
Sindall (Wm.)	198	......			

OPTIONS

3-month Call Rates

Industrials		House of Fraser	23	Utd. Drapery	6½
A. Brew	6½	I.C.I.	32	Vickers	15
BOC Intl.	11	"Imps"	5	Woolworths	4½
B.S.R.	7½	I.C.L.	5		
Babcock	9	Ladbroke	13	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	7
Beecham	17	Lex Service	9	Cap. Counties	10
Blue Circle	38	Lloyds Bank	28	Land Secs.	30
Boots	18	"Lofs"	3½	MEPC	20
Bowaters	19	London Brick	6½	Peachey	15
Brit. Aerospace	17	Lucas Inds.	26	Samuel Props.	13
B.A.T.	23	"Mams"	21	Town & City	2¼
Brown (J.)	8	Mrks. & Spncr	10		
Burton Ord.	12	Midland Bank	25	**Oils**	
Cadburys	6	N.E.I.	7	Brit. Petroleum	28
Courtaulds	5½	Nat. West. Bank	30	Burmah Oil	11
Debenhams	7	P & O Dfd.	9	Charterhall	6
Distillers	16	Plessey	26	K.C.A.	12
Dunlop	6½	Racal Elect.	34	Premier	7
Eagle Star	25	R.H.M.	5	Shell	28
F.N.F.C.	4	Rank Org. Ord.	14	Tricentrol	25
Gen. Accident	30	Reed Intnl.	23	Ultramar	40
Gen. Electric	55	Sears	5		
Glaxo	32	Tesco	5	**Mines**	
Grand Met.	15	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	36	Trust Houses	11	Cons. Gold	40
Guardian	30	Tube Invest.	22	Lonrho	7
G.K.N.	12	Turner & Newall.	7½	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday November 7 1981

MAN IN THE NEWS

'Voting for England'

BY JOHN LLOYD

ONE YEAR to the day after he had been re-elected President of the Amalgamated Union of Engineering Workers, Mr Terry Duffy heard the news that BL workers had "voted for England" and 3.8 per cent, as he had advised them to do.

He will be lucky to have another such 12 months. His re-election, by a massive margin, ensures him the post until he retires. Having strengthened the already-dominant right-wing leadership of the AUEW, Mr Duffy used the strength 1.1m members gives him to carry a resolution at the TUC congress restructuring the TUC General Council in a way which—at least for now—will favour the Right. A few weeks later, he used it again at the Labour Party conference to replace enough left-wing with right-wing members on the party's executive to give Mr Michael Foot the balance of power.

He took personal as well as official pride in seeing passed, by the TUC and the party conferences, a resolution committing the Labour movement to take more seriously the claims of the Third World: and on the very week when the BL strike began and ended, the 39-hour week for engineering workers, which he negotiated after a prolonged struggle in 1979, became effective.

Not bad for a man dismissed in his early days as bumbling and inexperienced. Nor can these achievements be all laid at the door of Sir John Boyd, the union's general secretary whose Scots Presbyterian morality is a counterpoint to Mr Duffy's Catholic anti-communism. Sir John is a formidable operator but can come unstuck, as recent court cases on the union's amalgamation and on the dismissal of two researchers have shown. Mr Duffy appears less self confident, especially in public debate—but is showing at least as sure a touch.

Terry Duffy
The "barometer" in BL's dispute

He is well aware of his image as the "ordinary" union leader and cultivates it. He referred to himself often as the "barometer" during the BL dispute. Sir Michael Edwardes, the BL chairman, once knew he had lost his workforce when he lost Mr Duffy's hitherto solid support. But he was confident of their votes on Tuesday once Mr Duffy appealed to them to go back.

The AUEW leader is also aware of not being liked much for this. He has constantly referred, in interviews, to the need to give a lead even when—especially when—the going gets rough, and when insults were handed out in generous amounts to him and his colleague, Mr Ken Cure, the West Midlands executive member, in the past few weeks.

The references betray an inner sensitivity to the often brutal criticisms senior union officials — particularly right-wing ones—have to face. Otherwise it rarely shows: at 58, his physique is still recognisably that of the army physical training instructor and boxing champion he once was. His mixed reflexes are those of the former active soldier and the lifetime trade unionist. He is able to draw, unselfconsciously, on a blend of patriotism and non-ideological class solidarity: his left-wing opponents believe these two elements conflict, but he does not.

His tenure in the union is secure, and the system of postal ballots for its many elections—of which he was the first beneficiary when elected as president in 1977—tends to favour the Right. Mr Duffy does not, however, believe that the system automatically delivers right-wing majorities. In recent speeches, he has warned his colleagues that they must prove themselves to be better to the membership in order to deserve, and depend on, their votes. He is no one's fool.

Council finance Bill given first Commons reading

BY ROBIN PAULEY

THE GOVERNMENT'S controversial Bill to curb local authorities' powers to levy rates was given a formal first reading in the House of Commons yesterday.

The Local Government Finance Bill will force councils wishing to spend more than a centrally prescribed amount each year to hold referendums.

It will also empower the Government to establish an audit commission to allocate a private or public sector auditor to each council, ending the council's right to choose their auditors.

As soon as the Bill was published, the leaders of all three local authority associations, two of which are Conservative-controlled, united in condemning it.

The number of Tory MPs expressing their disapproval continued slowly to grow, adding to the anxiety of the Whips about the difficulties the proposals may encounter as they go through what will have to be a speedy parliamentary process. The Bill is needed on the statute book in time for next year's rate-fixing deadline of March 31.

Under the plans, the Government will limit the amount each council can raise in its first rate call and a referendum will have to be held in June before a supplementary rate is levied.

This rate will have a differential applied by the Government to give some relief to nondomestic ratepayers at the expense of the domestic payers. The Government will set the referendum question and date.

Councils losing their referendum will need the Government's permission to borrow enough money to tide over for the rest of the year unless they decide to cut their spending to the level prescribed. The following year's rate will have to be approved by the Government.

Mr Michael Heseltine, Environment Secretary, said yesterday that he had been forced *to take the measures, which he* agreed had constitutional implications, by the actions of a few high-spending councils. He intended initially to trap a small number of councils in the referendum net.

Mr Tom King, Local Government Minister, agreed that the proposed legislation negated his assurances—repeated many times during the passage of last year's local government legislation—that the assessment *of how much a council* needed to spend would be used only as a guide for distributing grant and was not intended as a means to control spending.

"But the local authorities themselves asked us to use the assessments as a benchmark," he said. "We have come under tremendous pressure from a vast number of local authorities to take account of the assessments when deciding on penalties."

The Bill also changes the recent legislation which allowed the Government to use "multipliers" *only to increase* a council's grant. Now they may also be used to reduce it.

Coventry referendum may close schools, Page 3

Cable & Wireless sells briskly

BY CHRISTINE MOIR

LONG ORDERLY queues of brokers lined up before the decorated pitches of the four jobbers dealing in Cable & Wireless in the first hour of trading in the market yesterday. Later in the day the hectic business died away to brisk but unspectacular levels.

The pattern of dealings was reflected in the share price which opened at 203p—a 35p premium over the offer price—moved rapidly to a peak of 205p, then gradually fell back to close at 197p.

The Government's offer for sale of 49.9 per cent of the international telecommunications group was oversubscribed 5.6 times last week, attracting £1.25bn for shares with an offer value of only £224m.

As a result applications were heavily scaled down. Small investors, on average, received 30 per cent of their applications. Institutional investors which bid for large blocks received only 13 per cent.

The expected scramble from disappointed applicants who had been unsuccessful in the ballot among the smallest would-be investors, and from institutions wanting to build up their holdings, led jobbers to fix the opening premiums considerably above the 20p or so forecast at the end of last week.

The eventual volume of business yesterday was slightly lower than expected, however—unlike the British Aerospace issue in February, a third of which changed hands on the first trading day in February.

This, together with the sullen mood in the rest of the market which drove the FT Industrial All-Share Index down by 9.8 to 494.5, took the edge off the premium, which by the end of the day had slipped to 29p.

Small speculators, who had applied for the issue in the *hopes of a quick profit on the* first day, were not visible in such large crowds as had been expected.

Some brokers attributed this to the fact that many had not received their letters of allotment in the post yesterday. And with only a three in 10 chance of success in the ballot, they were not taking the risk of selling shares only to find that they had not been allocated any.

Trading on Monday could be as brisk as yesterday once all the issues have reached investors, although observers are not expecting the premium to increase.

Week in the markets, Page 8

Pamela Mason fights removal

FINANCIAL TIMES REPORTER

MRS PAMELA MASON is challenging her removal last month from the board of Illingworth Morris, the Yorkshire wool textile company.

In a lengthy statement yesterday Mrs Mason alleged that "the recent vote to remove me and Morgan Mason (her son) from the board was accomplished by the board voting shares of Illingworth Morris. They had no authority to vote."

In the absence of this vote the action would not have been passed, she said.

"I have been advised that the actions taken by the board on October 26 are null and void." Mrs Mason added. If the board did not "correct" the situation, she would proceed with "*appropriate*" legal action.

Illingworth Morris said last night that the board had always meticulously acted in accordance with the advice of its legal and merchant bank advisers. It had not received formal notification of Mrs Mason's statement.

Mrs Mason is the daughter of one of the company's co-founders and ex-wife of the film star James Mason.

In yesterday's statement she said that although it might have appeared that her father's heirs would inherit great wealth, this was not the case.

When she became executrix the estate was in debt to the tune of almost £2m in taxes, legal and accounting fees.

Mrs Mason said that she had "*not thought to influence the* day-to-day operation of Illingworth Morris. But she could not stand by while policies which she regarded as clearly unwise were pursued."

One major decision which had led to her lack of confidence in the company's management involved the provision of collateral for the company's loans.

"In addition to collateralising the company the Board refused to provide information repeatedly requested which would have facilitated the sale of the estate holding in Illingworth Morris," Mrs Mason said.

"Today I have formally notified the Board that their actions at the extraordinary meeting removing me and Mr Morgan Mason from the board of directors was blatantly improper in *method and must be corrected*."

Serck deal for Monopolies Commission

BY DUNCAN-CAMPBELL-SMITH

THE ACQUISITION by the BTR industrial group of Serck, the Birmingham diversified engineering company, has been referred to the Monopolies and Mergers Commission.

Serck's directors agreed three weeks ago to recommend BTR's cash offer for the 49.2 per cent *of their company's shares which* BTR had not already purchased.

BTR's bid, which valued Serck at £25.5m, will lapse automatically pending the results of the Monopolies Commission investigations. These normally take up to six months, though the commission can request a further three months to prepare its report.

This is the third time in less than five years that a takeover bid for Serck has been subjected to official scrutiny.

A £34m bid by Amalgamated Engineering lapsed in March 1977 on being referred to the Monopolies Commission.

A subsequent £33m bid by Rockwell International of the U.S. foundered when the U.S. Justice Department opposed it on anti-trust grounds.

Yesterday's news hit the shares of both companies, leaving BTR down 16p at 328p and Serck down 13p at 45p. The collapse of the Rockwell takeover in April 1980 pulled the price of Serck's shares down from 71p to 48p.

The latest bid has been referred by Mr John Biffen, Secretary for Trade, on the advice of the Director-General of Fair Trading that it raises issues of public interest.

Both the bid's impact on competition and employment and what are termed the "conglomeracy and diversifying aspects of BTR's acquisition" are to be drawn to the commission's attention.

This is understood to refer back to a statement made in July 1980 by Mr John Nott, then Trade Secretary. He drew attention to the need to look carefully at diversifying mergers, even where they did not raise conventional issues of direct competition as well.

The commission faces a slightly unusual situation in the BTR bid for Serck in that the purchaser's offer has already become unconditional, after launch of its bid with a dawn raid.

BL Cars

Continued from Page 1

working week which forms part of an earlier deal.

The unions proposed that the change be financed through bonus payments and BL's controversial self-financing incentive scheme, while BL wanted the time made up by shorter breaks during the day.

"From the outset the company has not deviated on how the move should be funded. They are going ahead on their proposals. There is no sign of flexibility of the proposed new style of management," Mr Hawley said.

From next week BL will cut the relaxation time allowed for things such as tea breaks by 17 to 40 minutes a day. Such an allowance is comparable with other companies such as Ford, BL says.

Mr. Hawley said management efforts to introduce the reduced break at factory level were likely to run into opposition from particular groups of workers rather than from plants as a whole.

Trouble is expected at Cowley, Oxford, where workers are bitter that their vote to continue strike action was not supported by other BL plants.

An Oxford correspondent writes: A man who once stopped a strike at Cowley is in trouble for ignoring an official walk-out. Mr Ron Lake, who clocked in after Tuesday's mass meeting at the car assembly plant, has been told he faces disciplinary action from his union, the TGWU.

Mr Lake, an inspector on the Triumph Acclaim line, took control of a meeting at the factory two years ago and called for a vote which ended a strike.

Continued from Page 1

Oil prices

from Nigeria, Libya and Algeria.

Industry reports indicate that the African producers have been reducing the differentials charged for their high-quality oil above the levels set by the Middle East. Nigeria, for instance, is said to be offering oil at $36.50 a barrel — $1.50 below the ceiling set for African crudes at last week's Opec meeting in Geneva.

Terry Povey writes: Iran has made a $2.40 cut in its light crude prices in offers for new contracts made to international oil companies yesterday. Its light oil will now be available at $34.60 a barrel and its heavy at $33.40

S. Africa swaps gold for foreign exchange

By Bernard Simon in Johannesburg

SOUTH AFRICA has negotiated a series of substantial gold swaps with foreign banks, to bolster its foreign currency reserves, the South African Reserve Bank confirmed yesterday.

Although no details of the transactions have been revealed, about 2.64m oz of gold, equivalent to more than 10 per cent of South Africa's annual production, must have been involved.

The Reserve Bank's gold holdings dropped from 12.4m oz at the end of September to 9.7m oz on October 31, according to the bank's monthly statement of reserves.

Dr Gerhard de Kock, governor of the Reserve Bank, said the swaps had been concluded at "market-related prices," which would indicate that South Africa has obtained roughly R1bn in exchange for its gold.

It needs the foreign exchange because of a sharp deterioration in its balance of payments position, with the current account deficit running at an annual level of R5bn in the second and third quarters of the year.

The swaps are sales of gold for cash, linked to forward repurchases by the Reserve Bank at a price which includes a rate of interest for the foreign banks. In effect, South Africa is pledging a portion of its gold reserves in return for hard currency loans.

As in the case of previous swaps negotiated in 1976 and 1977, the identities of the other banks have not been revealed. However, gold market analysts believe the major lenders too have been Swiss and West German banks.

Dr de Kock said yesterday that "further swap arrangements with other banks are at present under consideration."

Standard Bank, the country's second largest banking group, warned earlier this week that "recent trends in the South African economy give cause for concern." The authorities have relaxed their tight monetary policies in recent months.

Quentin Peel adds: Bullion dealers do not expect the swaps to have a dramatic effect on the gold price, except to help underpin it at present levels.

The gold will be effectively sterilised in bank vaults as the Reserve Bank insists it cannot be resold, and retains a first option on repurchasing it when the agreement expires.

Weather

UK TODAY

DRY with hazy sunshine, rather cold.

N. Ireland, N., W. Scotland
Rain and warmer.

S., E., W., N.W., Central N. England, Midlands, Wales, Channel Islands, Central Highlands, N.E. Scotland, Orkney
Dry, hazy sunshine. Max 10C (50F).

N.E. England, Borders, Lake District, Isle of Man, S.W. Scotland
Dry, hazy sunshine. Max 8C (46F).

N.W. Scotland, Shetland, N. Ireland
Cloudy, rain at first. Max 10C (50F)

Outlook: Little change.

WORLDWIDE

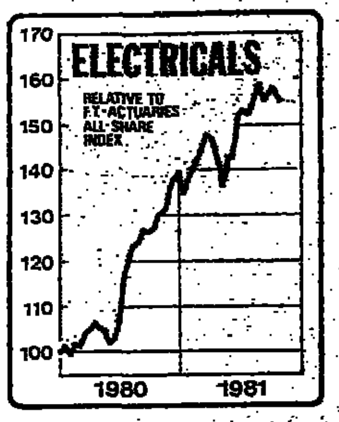
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	18	64	L. Ang.†	C	17	63
Algiers	S	21	70	Luxmbg.	F	5	41
Amsdm.	C	10	50	Luxor	S	28	82
Athens	C	21	70	Madrid	S	19	66
Bahrain	S	28	82	Majorca	F	20	68
Barclna.	S	19	66	Malaga	F	20	68
Beirut	S	22	72	Malta	F	24	75
Belfast	F	10	50	M'chstr	F	7	45
Belgrd.	C	6	43	Melbne.	C	16	61
Berlin	F	8	46	Mx. C.†		—	—
Biarritz	C	11	52	Miami†	C	22	72
Bmghm.	C	5	41	Milan	S	14	57
Blackpl.	F	7	45	Montrl.†		—	—
Bordx.	S	12	54	Moscow	R	2	36
Boulgn.	C	11	52	Munich	C	5	43
Bristol	S	8	46	Nairobi	F	27	81
Brussels	S	10	50	Naples	C	18	64
Budpst	F	8	46	Nassau		—	—
Cairo	E	25	77	Nwcstl.	S	7	45
Cardiff	S	8	46	N York†	R	14	57
Cas'b'ca	S	25	77	Nice	F	18	64
Cape T.		—	—	Nicosia	S	22	72
Chicg.†		—	—	Oporto	S	23	73
Cologne	F	8	46	Oslo	S	4	39
Cpnhgn.	S	7	45	Paris	S	9	48
Corfu	F	21	70	Perth	C	19	66
Denver†	C	2	36	Prague	F	6	43
Dublin	F	10	50	Rykjvk.	R	7	45
Dbrvnk.	C	17	63	Rhodes	S	20	68
Ednbgh.	S	6	43	Rio J'o†		—	—
Faro	S	21	70	Rome	F	18	64
Florence	F	18	64	Salzbrg.	C	6	43
Frankft.	S	9	48	S'cisco†		—	—
Funchal	F	23	73	S. Mritz.		—	—
Geneva	F	9	48	Singapr.		—	—
Gibrltr.	C	19	66	S'tiago†		—	—
Gl'sg'w	F	6	43	Stckhm.	F	3	37
G'rnsey	C	10	50	Strasbg.	F	9	48
Helsinki	Sn	1	30	Sydney	S	22	72
H. Kong	C	26	79	Tangier	S	24	75
Innsbrk.	F	7	45	Tel Aviv	S	24	75
Invrnss.	F	3	37	Tenerife	S	25	77
I o.Man	C	9	45	Tokyo	R	8	46
Istanbul	S	16	61	T'r'nto†	R	7	45
Jersey	F	11	52	Tunis	F	21	70
Jo'burg		—	—	Valencia	S	20	68
L. Plms.	F	23	73	Venice	F	15	59
Lisbon	S	20	68	Vienna	R	6	43
Locarno	S	14	57	Warsaw	C	6	43
London	S	10	50	Zurich	S	7	45

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Simplicity deal is unzipped

Index fell 9.8 to 494.5



The debut of Cable and Wireless was received with polite applause yesterday. After the standing ovation which greeted British Aerospace earlier this year, the stags may feel a little disappointed but the closing price of 197p—a premium of 29p—was still a good bit higher than had been expected last week.

Earlier in the week, the equity market had pushed up to levels not seen since before Black Monday but, with the end of the account seeing some profit taking, the FT 30-Share Index headed back down below 500 yesterday, finishing 9.8 points lower at 494.5.

The London markets are still feeding on New York, and the success of the U.S. Treasury's big refinancing this week has provided some encouragement for gilt-edged. The feeling is growing that the Federal Reserve is easing its monetary stance as the U.S. economy weakens, and a further decline in the Federal funds rate yesterday augurs well for an attack on the Government Broker's long tap in London next week.

Simplification

Mr Carl Icahn, a professional New York wheeler dealer, has thrown a gigantic spanner into the works of Mr Graham Ferguson Lacey's master plan to merge his company NCC Energy with the cash-rich Simplicity Patterns. The merger was called off yesterday in the face of the apparent success of Mr Icahn's tender offer for 20 per cent of the shares of Simplicity. He now seems certain to finish with a 31 per cent stake, including his existing holding, and will thus have enough to block the NCC-Simplicity deal. The City of London, of course, has never been fully convinced about the ability of Mr Lacey to sew up the Simplicity coup. At one time in the early summer the NCC share price hovered around 140p, but never got near the 150p-plus which a successful merger might have made them worth. Yesterday, after another brief suspension, the price tumbled 12p to 78p.

Another Lacey company, Energy Capital, has been hit by the backwash this week. Since mid-October the share quote had been suspended after a mysterious takeover approach, but on Thursday the deal was announced to be off. It now looks as though the buyer was none other than NCC, proposing a share exchange transaction which the Simplicity troubles have caused to be aborted.

Normally Mr Lacey wheels and deals at least as fast as Mr Icahn, but he has suffered in this Simplicity deal from a sheer lack of firepower: the merger terms had to be propped up with warrants, and the complex arrangements have been taking many months to prepare and present to the SEC. This has given Mr Icahn ample time to plan his campaign, and in the end to borrow $21m from NatWest's U.S. subsidiary in order to elbow out NCC.

For the moment NCC says it is "committed" to Simplicity, in which it has a 15 per cent stake, and it still has a strong position on the Simplicity Board. It is reviewing the alternatives open to it, but these cannot be palatable: it looks as though it must buy Mr Icahn off expensively, or withdraw.

Britannia Arrow

The most famous warrants in the history of modern British capitalism are back in the news. Holders of the 2.8m Britannia Arrow warrants are being asked to approve a scheme to cancel the company's share premium account. This is the route chosen by the company to eliminate the losses still in the balance sheet which date from before the Slater Walker name was expunged from Companies House.

The warrants were issued in 1971 as half the consideration in the takeover of insurance brokers Wigham, Richardson and Bevington. They were the first undated warrants, but will be remembered most for prompting Jim Slater's remark to the effect that he would be happy to oblige indefinitely anyone prepared to pay now for the privilege of buying his shares in the future.

When issued, the wa[rrants] were valued at 18op an[d] rose subsequently to 170p[,] collapsing to 1p in the [Slater] Walker crash. Since the[n] bestow a right to buy 1[...] nia shares for 225p each[,] compares with a current [...] for the underlying stock o[f] —the latest quoted price[...] per warrant is testimony [to the] farsightedness of the h[...]

But Britannia Arrow needs the approval of th[e war]rant holders before it c[an pay] a dividend under ne[w rules] introduced by the 19[80 Com]panies Act. Some holder[s have] argued that this rare b[...]ing counter should be [...] extract better terms, [in the] shape of a reduction [in the] exercise price, just [as] holders of the small con[vertible] bond issue have already [man]aged to extract a reduct[ion in] the conversion price.

So long as Britannia do[es not] overdistribute, howeve[r, the] warrant holders' interest[s are] identical to those of the [share]holders. And if Britan[nia is] hamstrung by this artifici[al re]straint from paying a div[idend] the day that the share [price] exceeds the exercise pri[ce will] be put off all the furthe[r.]

BTR/Serck

Nearly seven weeks a[fter it] was announced and j[ust a] couple of days before th[e clos]ing date, BTR's bid for [Serck] has been referred to the [Mono]polies Commission. This [will] be awkward for both [com]panies. BTR has alrea[dy] conditionally acquired ov[er half] Serck's shares, and put [its] directors on its board. [Serck] has, with some relu[ctance,] accepted what appeared [to be] the inevitable, and tol[d its] remaining shareholders [to do] the same.

Of course the authoriti[es will] not allow themselves [to be] hustled by an aggr[essive] bidder. Their concern is [...] with competition in c[ertain] parts of the valve ind[ustry] where Serck competes w[ith a] BTR subsidiary, and [more] generally with the c[onglo]merate nature of BTR its[elf.]

On recent form, the [latter] point should not worry the [Com]mission overmuch. It ha[s no] power to force divest[ment,] which is why Serck's share[s fell] 12p to 45p on yesterday's [news,] compared with an offer c[...] per share. The bettin[g is] probably that BTR wi[ll be] allowed to proceed, though Serck has somethi[ng of] a charmed life in these ma[tters.] But the important thing i[n a] rather unusual case is th[at the] inquiry should proceed wi[th all] possible speed.

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